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# Annual Report

1996

# City of Berlin, NH

*Signs of Our Times*



## MAYORS OF THE CITY OF BERLIN

### The Honorable...

Henry F. Marston	1897-1899	George E. Bell	1946-1947
John B. Noyes	1899-1900	Paul A. Toussaint	1947-1950
Frank L. Wilson	1900-1901	Aime Tondreau	1950-1957
Fred M. Clement	1901-1902	Guy Fortier	1957-1958
John B. Gilbert	1902-1905	Laurier A. Lamontagne	1958-1962
George E. Hutchins	1905-1908	Edward L. Schuette	1962-1965
Fremont D. Bartlett	1908-1910	Dennis Kilbride	1965-1966
Daniel J. Daley	1910-1915	Norman J. Tremaine	1966-1968
George F. Rich	1915-1919	Earl F. Gage	1968-1970
Eli J. King	1919-1924	Norman J. Tremaine	1970-1972
J.A. Vaillancourt	1924-1926	Sylvio J. Croteau	1972-1976
Eli J. King	1926-1928	Laurier A. Lamontagne	1976-1978
Edward R. B. McGee	1928-1931	Leo G. Ouellet	1978-1982
W.E. Corbin	1931-1932	Joseph J. Ottolini	1982-1986
O.J. Coulombe	1932-1934	Roland W. Couture	1987-1990*
Daniel J. Feindel	1934-1935	Willard Dube	1990-1990
Arthur J. Bergeron	1935-1938	Leo G. Ouellet	1990-1994
Matthew J. Ryan	1938-1939	Yvonne Coulombe	1994-1996
Aime Tondreau	1939-1943	Richard P. Bosa	1996-1998
Carl E. Morin	1943-1946	Robert DePlanche	1998-1998

\* Change in election year and change in date oath of office is taken, as of October 5, 1987.



## CITY MANAGERS OF THE CITY OF BERLIN

Stanley Judkins	1962-1966
Joseph Burke	1970-1973
James C. Smith	1973-1978
Michael L. Donovan	1978-1983
Mitchell A. Berkowitz	1983-1998
George E. McMahon	1998-

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# Signs of Our Times

*Fiscal Year July 1, 1997 to June 30, 1998*



## *Mayor and City Council*

*Robert J. DePlanché, Mayor*

### Ward I

*Timothy P. Donovan, Sr.  
Henry W. Coulombe*

### Ward II

*Merle S. Cole, Sr.  
Paul E. St. Hilaire*

### Ward III

*David D. Morin  
James P. Wiswell*

### Ward IV

*Paul R. Grenier  
Richard E. Roy*

*George E. McMahon, City Manager*

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ANNUAL REPORT PREPARED BY:  
Susan Tremblay, Administrative Assistant  
City Manager's Office

Report printed by: Berlin High School Graphic Arts, Senior and Junior Classes



## MAYOR'S REPORT

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State of the City reports are usually about the past year's significant accomplishments. But, I have come to learn that the passage of only one year is not long enough for us to see what one poet calls "the ever whirling wheels of change." Over time, a city can deteriorate or continue to improve, but it can never stand still.

I was inspired to enter politics because I knew we could do better. You, the citizens of Berlin and many others like us who love this city, took a hard look around us and said, "We have to do better." That was our new beginning and the challenge to all to accept the rallying cry of, "We can do it."

However small, there have been changes. Our downtown is starting to blossom with the relocation of businesses, revitalizing of storefronts and a future business combined with a park-like architecture will be built between Main, Mason, and Pleasant Streets. There is a new United Brotherhood Credit Union building at the upper end of Main Street. There is more work to be done and the Main Street Program is geared up with many volunteers working in committees to bring a dream of a revitalized downtown into reality. With the sod turning August 5<sup>th</sup> for the Corrections Facility, Berlin turned the corner from the traditional "smoke stack" manufacturing type of business to one of rehabilitating people to return into communities from whence they came and hopefully become better citizens. With that facility will come 222 new jobs and dollars earned as wages or goods or services purchased that will turn over six to seven times in our community. The construction phase will bring additional employment to the area and our construction trades.

Our credibility with legislators, both at the state and federal level, has been re-established and dollars are starting to flow into our community for projects that will refurbish aged infrastructure, i.e. water lines for which we will receive \$2,000,000 at the Federal level.

The PNGTS pipeline that has been winding its way through seven miles of Berlin, has brought high paying construction jobs to the area and prosperity to the services industry. This pipeline will bring in additional tax revenue.

There are danger signs that we are losing the public's confidence in our ability to manage the pace of growth and change. They fear we have lost the ability to maintain and improve our streets and roads and that is a perception that is not unfounded. The roads and streets look like war zones with all the new construction of sewer and water mains and resultant unfinished road surfaces. We need to find a better way to bring those projects to a close with minimal impact to the community.

The continuing saga of the tax dispute with the city's largest taxpayer must end soon. Budgets increased modestly (65 cents/1000 of valuation) this fiscal year but are nevertheless based on revenues that are not being realized. We must face up to that reality and plan our strategy for the worse case scenario now.

I am concerned that our school system continues to garner budgets that are inflationary and burden the taxpayer with ever escalating tax increases. Yes, we need stable school funding, but I do not believe that the quality of the education is entirely dependent on increased funding.

Home ownership has increased, reversing a downward trend from 1997. Prices have stabilized and show signs of improving. New families are moving in and other families are moving back to Berlin.

The Northern Forest Heritage Park is taking shape and will see the opening

of the blacksmith shop and amphitheater this Fall.

With the hiring of a new City Manager, George McMahon, we will establish a stability and team atmosphere that will move Berlin forward into the new millennium.

I believe a great city begins as an act of imagination. It has been said that "Vision without action is merely a dream. Action without vision just passes the time. But vision with action can change the world." A dedicated group of people have been working since January to develop the City of Berlin's vision.

So, in the end, the state of the city changes over time but some things never do - the hard work, the challenge, the excitement, the fulfillment of serving this community has enriched my life. For all of that, I want to thank my colleagues on the City Council, government and business leaders, and my fellow citizens of Berlin. And if you are ever asked why we do it, say this:

"Because quality of life is not just about the place we live, it is about the way we live."

To that end I have given my all to bring a positive attitude and leadership to this community to create a city of hope, opportunity and accomplishment.

I believe the City of Berlin has turned the corner!

*ROBERT J. DE PLANCHE*  
Mayor

## CITY MANAGER'S REPORT

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1998 begins the City's second century of providing municipal services to its residents as one of New Hampshire's six major cities.

The year promises to be one of challenge and opportunity for the City; one of some anxiety, frustration and promise. Anxious for resolution of taxation problems, frustration of limited resources and promise of achievements, progress and movement towards the "quality of life" every city strives for and residents desire.

One hundred years have passed as the Androscoggin River has carried logs, men and industry through a century of never-ending water, flowing to provide the lives of residents, work resources, power, recreation and scenic beauty in the White Mountains of New Hampshire.

The City grew and prospered on the Androscoggin, as it will continue to prosper and grow. Changing times with global competition, technology, knowledge and experience challenge the City of Berlin to reach out beyond the past and seek a new vision fostered by the many ethnic groups, community leaders, and residents to use its natural resources, geographic location and talents to produce a new economy, which considers and produces benefits to all who reside in this area, as well as the many visitors the City receives each year. Opportunities for future growth depend on a realistic approach to bringing together the resources necessary to create and implement the community's vision through education, hard work and a commitment to the City's goals and priorities.

It will take the energy, talents and efforts to work in harmony; dedicated to what Berlin's residents want to become.

The assets the City has are enumerable, not the least which are the City residents, educational system, natural beauty of the mountains, tourism related events and places, Heritage Park, Main

Street Program, recreation facilities such as Jericho Lake, Nansen Cross Country Trails and skiing events, fishing, hunting, family hobbies, camping, wildlife and certainly the energetic progress of the downtown shopping district that is bringing in new ideas and commercial shops to attract a healthy and enjoyable business economy. The community leaders involved with these and other programs have shared and coordinate their expertise and talents in a profound manner, which has demonstrated their ability to give the City effective solutions and answers to its problems and strategic planning for its vision of the future.

The state of the City has been continuing improvement in its infrastructure of water and sewer lines, new sidewalk projects, Parks and Recreation, Police Organization; Planning and Zoning, Health, Safety and Welfare departments.

Use of voluntary help and Federal/State grants have greatly assisted the City in containing costs and expenses. The future holds hope of a rational State Legislature to more equitably fund education, which will significantly benefit the City of Berlin although most of the financial solutions to resources and problems will come from City residents and leaders. Daily operational cost monitoring and redirection of management attention in a timely manner are essential to minimizing costs and the tax burden to residents. Elected officials are critical to prudent decisions and planning which recognizes the economic situation and takes sound appropriate action to obtain the best value in the most practical way possible.

The year ahead will determine the journey of many roads for the next century and set the future pace for progress. Success for the "City That Trees Built" will be measured not so much in the quantity of life, but rather in the quality of life through each step taken. Definition of the quality of life will take everyone's willingness to contribute to their local government, projects and progress taken by all of us. It is my distinct privilege and pleasure to be part of this challenge in my current position as your City Manager.

Submitted by:  
**GEORGE MCMAHON**  
City Manager

## CITY CLERK'S DEPARTMENT



"Signs of Our Times" are visible in the City of Berlin through the recent downsizing or restructuring of several departments combining them together under one Department Head to save tax dollars through reduced salaries and benefits

"Signs of Our Times" are also reflected as the City Clerk's Office works in conjunction with the School Department when ordering custodial supplies. For the second year in a row, both departments order custodial supplies together in bulk in an effort to save taxpayer dollars. These endeavors add up to substantial savings when all departments coordinate their targeted goals.

The City Clerk is the official record keeper of the history of our community. Original City Council minute books, ordinances, resolutions, contracts and agreements are recorded and maintained by that office.

The following Resolutions and Ordinances which govern city policy were passed:

### RESOLUTIONS

- 1997.28: Main Street Program Participation
- 1997.29: Legal Services (\$5,000)
- 1997.30: Segregated Funds
- 1997.31: HUD Housing Study (\$33,098)
- 1997.32: NHMA Participation
- 1997.33: School Dept Health Ins. Reserve
- 1997.34: Unity Street Park Project Grant
- 1997.35: Public Hearing to Amend Charter Regarding City Manager's Role
- 1997.36: Public Hearing to Amend Charter Regarding Mayor Rules/Qualifications
- 1997.37: NCC Site Plan Review (\$2,000)
- 1997.38: Tax Anticipation Notes 1997/98
- 1997.39: Legal Fees (\$4,824)
- 1997.40: School Dept. Add. Foundation Aid
- 1997.41: State Guaranteed Bond for School Capital Improvements (\$1,500,000)
- 1997.42: State Guaranteed Bond for School Capital Improvements (\$4,500,000)
- 1997.43: Purchase Fisher Snow Plow for Recreation & Parks Dept (\$3,000)
- 1997.44: School Dept. Segregated Funds Appropriation of \$33,000
- 1997.45: Education Projects (\$19,860)
- 1997.46: Legal Fees (\$14,948)
- 1997.47: Court House Renovations (\$11,500)
- 1997.48: Amend 1995 Water Bond Resolution

- 1998.01: CDBG Water Distribution System
- 1998.02: Tondreau Snowmobile/Pedestrian Bridge Project
- 1998.03: CDBG Water Distribution System
- 1998.04: Legal Fees (\$20,549)
- 1998.05: Police Commission Highway Safety Project Safety Grant
- 1998.06: Police Commission Highway Safety Project Bicycle Grant
- 1998.07: Legal Fees (\$39,655)
- 1998.08: Rescinding the 12/01/97 School Segregated Fund Resolution and authorize the \$12,000 decrease to the 1997 School Dept. Segregated Funds passed on 8/04/97
- 1998.09: Animal Shelter Care from the Lacasse property (\$11,765)
- 1998.10: Snow removal at Municipal Airport
- 1998.11: City Hall office relocation and renovations (\$15,000)
- 1998.12: Legal Fees (\$20,747)
- 1998.13: Undercover Crime Prevention Patrols
- 1998.14: Fiscal Year 1999 Budget Approval
- 1998.15: Cascade Bridge Replacement

### ORDINANCES

- 1997.05: Halloween Hours Changed
- 1997.06: BIDPA Membership Changed
- 1997.07: Sweden Street Stop Sign
- 1997.08: Burgess St. Handicap Zone Deleted
- 1997.09: Repeal BWW 1/20/97 Ordinance
- 1997.10: Kent Street Stop Sign Added
- 1998.01: Display Merchandise on Sidewalks
- 1998.02: Central Service Business District Established
- 1998.03: Board, Committee & Commission Qualifications Amended
- 1998.04: Itinerant Vendor/Peddler Amended
- 1998.05: Establish Berlin Trust Fund

### VITAL RECORDS

Vital Records is perhaps the most integral function of the City Clerk's Office. Births, deaths and marriages are recorded there and certified copies of such are issued.

YEARS:	95/96	96/97	97/98
Marriages	62	62	57
Births	122	122	117
Deaths	160	182	169

Submitted by:  
DEBRA PATRICK  
City Clerk



## ASSESSOR'S OFFICE

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The 1997 revaluation update was completed by the State of New Hampshire, Department of Revenue Administration (DRA), in January 1998 and the tax bills were mailed on February 6, 1998. In the past, all property record cards were calculated

using a manual system. A manual was created and the appraisers used it to determine the value of various items. A "sign of our times" was that both the 1993 reval and the 1997 update were done using a CAMA package (Computer Assisted Mass Appraisal). The computer, programs and printer in the Assessor's Office were all upgraded in order to best serve the taxpayers of the City. It is our hope to continue to progress with the technology that is available in the Assessing Field.

We, the Board of Assessors, continue to maintain our open door policy for taxpayers with questions or problems regarding assessments and assessment procedures. In order to address issues involving fair assessment and the revaluation, the Board of Assessors meets regularly. The appeal process was delayed this year due to the late mailing of the tax bills. Approximately 124 appeals were received. All appeals were reviewed by the DRA appraiser supervisor and recommendations were made to the Board of Assessors. It is unknown at this time how many pursued their case further to the Board of Tax & Land Appeals or Superior Court as the filing deadline is October 6, 1998.

Peter Allain, who was completing the term of Elise Salek, Esq., terminated his post on March 31, 1998. The remaining Board members have been seeking a dedicated and willing individual to replace him. To date, the seat remains vacant.

In an effort to keep the mapping current, Cartographics of Littleton once again completed the update of the tax maps for the City of Berlin. All deeds received from the Registry of Deeds in Lancaster are sent to them and they make corrections as needed based on the data contained in the deeds. Any map with a physical change is then printed and sent to us.

The Board of Assessors is committed to quality and excellence in government and will continue to respond to requests for changes that occur due to budgetary constraints, public need, and new legislation.

Respectfully submitted,  
BOARD OF ASSESSORS  
*ARTHUR J. BERGERON, JR., CHAIRMAN*  
*JAMES COULOMBE, MEMBER*



## SUMMARY INVENTORY OF TAXABLE PROPERTY - APRIL 1, 1997 & 1998

	APRIL 1, 1997	APRIL 1, 1998
Land	\$ 27,527,344.	\$ 27,247,698.
Building	297,672,045.	295,482,666.
Public Utilities	62,587,200.	58,429,974.
<b>GROSS VALUATION</b>	<b>\$ 387,786,589.</b>	<b>\$ 381,160,338.</b>
Blind Exemptions	371,200.	401,200.
Elderly Exemptions	3,573,400.	4,011,388.
Physically Handicapped Ex	25,600.	25,600.
Water/Air Poll. Cont. Exem.	37,000,689.	36,657,209.
<b>TOTAL EXEMPTIONS</b>	<b>\$ 40,970,889.</b>	<b>\$ 41,095,397.</b>
<b>NET VALUATION</b>	<b>\$ 346,815,700.</b>	<b>\$ 340,064,941.</b>

### EXEMPTIONS GRANTED

TYPE	APRIL 1, 1997		APRIL 1, 1998	
Elderly	195	\$ 142,614.	210	\$ 162,702.
Blind	25	14,815.	27	16,273.
Physically Handicap	6	1,022.	6	1,038.
Water/Air Poll. Cont.	5	147,670.	5	148,682.
Veterans	887	50,850.	869	49,950.

### OTHER ACTIVITIES

TYPE	APRIL 1, 1997		APRIL 1, 1998	
Resident Tax	5975	\$ 59,750.00	5893	\$ 58,930.00
Yield Tax	17	12,150.30	24	25,891.50
Property Transfers Processed	269		275	

The Finance and Collection Department is responsible for the accounting and record keeping of all financial transactions of the City's General Fund, as well as all other funds. The City's auditors, Vachon, Clukay & Co., PC, Manchester, New Hampshire, audited the City books and the City's detail financial reports for the General Fund, Special Revenue Funds, Capital Projects Funds, Property Fund Types, all Trust and Agency Funds, and General Long-Term Obligations are in their accompanying Audit Report for the year ended June 30, 1998. In the interim period absent of a full-time Manager, I assumed full responsibility and coordination with City Council on all Finance matters, budget for 1998-99, as well as coordinated with attorneys on legal matters for the City.

This Department is responsible for the timely filing of all federal and state financial and tax reports, as required by the Federal Government and the State of New Hampshire. The City's financial records are maintained on the IBM36 System. This Department is responsible for the following processes, and where applicable, indicates approximate number of annual transactions or parcels as well as amounts.

PROCESSES	TRANSACTIONS	AMOUNT	OTHER PROCESSES
Accounts Payable	\$7,147.00	\$32,841,848.00	General Ledger Tax Lien Redemptions all Years
Purchase Orders Issued	\$1,652.00		Cash Revenues UCC's
Payroll - 1998	\$15,378.00	\$10,455,153.00	Appropriation Ledger (Budget) Real Estate Collections
General Revenues other than Taxes		\$7,907,045.00	Financial Reporting Resident Tax Collecting
Real Estate Warrants - 1997	\$4,502.00	\$13,790,724.00	Debt Service
Resident Tax Warrants - 1998	\$5,893.00	\$58,030.00	Investment of Funds
Sewer Warrant - 1998	\$3,419.00	\$1,030,497.00	Personnel Files
Special Warrants/RE & Sewer	\$10.00	\$4,523.00	Voter Registration Records
Tax Lien Process - 1997	\$375.00	\$6,328,122.00	Sewer User Collections
Motor Vehicle Registrations	\$10,857.00	\$927,500.00	

In addition to the above, the Finance Department administers Health Insurance for the City Employees, Water Works, Cobra Extension, as well as for 132 retirees, (total covered - 267 members). The Finance Department also administers Life Insurance, Short Term Disability Insurance, NH Retirement System Pension, N. E. Benefits, billings and collections from City Departments, retirees and COBRA extension. This Department also prepares requests for proposals for insurances for City employees.

This Office is responsible for the Central Services Purchasing and billing of gas, office supplies, copies and other purchases for City Departments and some State agencies. A new computerized GASBOY system was installed in 1997 for the maintenance, record keeping and billing of gas purchased by City and School Departments, as well as outside agencies. This Department is responsible for the record keeping of the Berlin Airport Authority, including sales of all gas and financial reporting to the Authority. The Finance Department is also responsible for the mail service of all incoming and outgoing mail for all City Hall Departments, Planning Department, as well as large bulk mailings for all other City Departments. This Department also serves, when needed, as central telephone agency for other departments. In the past year, the Finance Department has begun the process to search for an upgrade computer network system to replace the current system.

The Finance/Collection Department has a staff of six full time employees and one part time employee (21 hours). In addition to the Comptroller/Tax Collector, staff includes the following personnel: Anita Valliere, City Accountant; JoAnn Theriault, Account/Billings Clerk; Jeannette Laflamme, Supervisor Computer Division/Payroll; Lucille Lavoie, Accounts Payable Clerk; Valerie Litvin, Collections Clerk; and Elaine Tremblay, Senior Collection Clerk.

# TAX COLLECTOR'S REPORT



The Following is the Tax Collector's Report for the period ending June 30, 1997

	1998 Real Estate Taxes	1997 Real Estate Taxes	1997 Tax Liens	1996 Tax Liens	Prior Years Tax Liens	Sewer User Taxes	1997 Resident Taxes	1998 Resident Taxes
7/1/97 Uncollected Balance	-0-	4,137,190.	-0-	6,128,327.	1,461,442.	196,179.	-0-	38,240.
Conversion to Lien	-0-	(5,822,780.)	6,328,122. <sup>3</sup>	-0-	-0-	(76,669.)	-0-	(594.)
Tax Warrants	6,880,744. <sup>1</sup>	6,773,523.	-0-	-0-	-0-	1,059,669.	58,930.	-0-
Collections/Redemptions	(2,872,595.)	(5,432,066.)	(26,367.)	(1,290,303.)	(,2406268.)	(985,890.)	(21,380.)	(24,840.)
Refunds/overpayments	2,302.	382,624. <sup>2</sup>	-0-	-0-	-0-	2,328.	-0-	180.
Liens-RSA-72-38A	-0-	(3,165.)	-0-	-0-	-0-	(830.)	-0-	-0-
Abatements/Deeds/Discounts	(175.)	(35,032.) <sup>2</sup>	(168.)	(10,154.)	(35,971.)	(5,802.)	-0-	-0-
Reserve-Uncollectibles	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Uncollected Balance 6/30/98	4,010,276.	294.	6,301,587.	4,827,870.	185,203.	188,985.	37,550.	12,986.

## OTHER TAXES/INTEREST COLLECTED

Special Warrants/RE & Sewer	\$4,523.	Resident Taxes - Penalties	582.
Uncommitted Taxes	7,993.	Sewer Taxes - Interest	17,389.
Interest - Delinquent Taxes	178,937.	Yield Taxes	24,532.
Interest - Tax Liens	184,554.	Boat Taxes	3,260.

<sup>1</sup> Warrant 1/2 Year

<sup>2</sup> Due to Reval delay, taxpayers pre-paid taxes

<sup>3</sup> Includes 1997 Real Estate Taxes, Resident Taxes, Sewer Taxes, Interest, Costs and Fees

Submitted by:  
**ALINE BOUCHER**  
 Comptroller/Tax Collector

## COMMUNITY SERVICES DIVISION HEALTH DEPARTMENT



The Berlin Health Department in 1997/98 continued to provide services to the community through its Public Health and Safety Program, its Public Health Nursing Program and its Home Health Visiting Nursing

Services. Public Health and Safety work continued, providing services that insure the proper enforcement of local and state safety ordinances and laws for the provision of the overall health and safety of the community.

This community supported department also plays a major role in the provision of Emergency Management Services to the City. Involvement in the responses to flooding, disease outbreak, oil leaks and other varied emergency situations are addressed through departmental commitment to protect the health and well being of the community. The Public Health department continues to carry out the public charge to protect Berlin's citizens through the administration of safety and health standards set forth by local ordinance and state law.



Continuing to provide home care services for Berlin's families, Berlin Public Health nurses have assisted in all

areas of medical care through skilled nursing services, as well as coordinating occupational, speech, and physical therapy, and home health aid/homemaker services. Emergency services are also available through the nursing division, as represented by their assistance in providing 24 hour call

in service. Today's Home Health Nurses administer home intravenous treatments, tube feedings, and many more services than traditionally found in this area of service. The Berlin Health Department Home Health Program has had a year filled with change and challenge. As private medical services have changed and medical insurance firms have amended their coverages, the role of the municipal nursing service too has changed. The year was full of challenges due to the implementation of the Interim Payment System required by the Federal Medicare System. As a result of the Balanced Budget Act approved in Congress, Home Care Agencies across the country were issued new standards, definitions, requirements, and payment procedure for the provision of Home Care Services to Medicare patients. This revision resulted in a number of difficult changes in how service is provided. Letters and e-mail correspondence to Congress were sent by departments, Mayor Robert DePlanche, patients and their families in an effort to stem the tide of this catastrophic impact to patients and our agency. We organized a Congressional Round Table that was held with representatives of the NH delegation where city staff discussed the local impacts of IPS and requested that Congress amend their former actions immediately. At the time of preparing this document Congress has a number of bills pending to seek changes to the IPS that will once again provide the support for the provision of quality Home Health Care.



**CLINIC**

The Public Health Nursing service continues to provide a public health clinic program to the community. Office

services may range from a variety of immunizations, diabetes care, cholesterol and blood pressure monitoring. The Clinic nurses participated in a number of on site programs including the annual Fall Elder Health Fair at St. Anne's Hall and blood

pressure and blood sugar clinics we offered at the Holiday Center. In the past year the Public Health Nursing Program created a web page and connected to an e-mail service. Visitors to our web page are provided with basic information about our services, hours, and specialized programs. Using e-mail we have been very successful in contacting Congressional representatives and accessing the most current information about the National Home Health Association and their efforts to change IPS. Through our Internet access we are also connected with a wide variety of health organizations such as the Federal Center for Disease Control. Please contact us with your questions and comments at [bhdnurse@ncia.net](mailto:bhdnurse@ncia.net).

The Public Health Officer was active in a number of public safety projects during this past year. A number of complaints concerning homes and properties with major violations of public health and safety codes were responded to. One major case included the appropriate transfer of approximately 250 animals to proper and safe shelters and homes. The efforts of local staff with the support of New England Humane Society members from as far away as Connecticut insured that these animals had proper futures. Efforts of the Health Department and the Berlin Police Department in this case were instrumental in changing State Law in issues of animal welfare. Some cases filed in this year continue to be in progress, while others are at completion. The Public Health Officer responded to a number of hazardous material inspections. The inspection program administered numerous restaurant inspections. Additionally, child care and foster care inspections were processed throughout the year.

Changes in municipal government are a certainty. Changes in the provision of medical services through Home Health programs are a certainty. Changes in the standards and enforcement of public health service are a certainty. The Berlin Public

Health Department has experienced many changes in recent years and continues to be committed to the provision of comprehensive community health services to the City of Berlin.

Submitted,

LAURA LEE VIGER

Community Services Director

## **BERLIN HEALTH DEPARTMENT** *Providing for Your Health*

### **MEDICAL-CLINICAL SERVICES**

number of office patients  
number of office visits

### **IMMUNIZATIONS AND TEST**

oral polio  
DTP injections  
DT injections  
measles, mumps, rubella  
vaccine  
TB Mantoux test  
Td injections  
HIB injections  
act HIB injections  
infant hepatitis B  
hepatitis B

### **DTAP**

### **CLINIC ATTENDANCE RECORD**

cardiac clinic  
genetic clinic  
hepatitis B  
flu vaccine  
immunizations  
cholesterol  
hepatitis B school screening

### **HOME HEALTH NURSING SERVICES**

home health nursing visits  
home health patients  
therapy visits  
aide visits



## COMMUNITY SERVICES DIVISION LIBRARY DEPARTMENT

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The Berlin Public Library staff and patrons experienced much of the past fiscal year faced with the potential of major changes and the task of maintaining long standing traditions and creating new visions for the future. Many beneficial improvements have been made to our Library as we continue to enhance the way in which we access information.

This year, with the help of a grant from the Bell Atlantic Telephone Corporation and the Cabletron Corporation, we were able to access the Internet directly without utilizing an internal telephone line. The Berlin Public Library was also the recipient of a grant from the New Hampshire State Library and with this grant, we were able to purchase four new computers that will allow the Library to upgrade in order to bring to the patrons the information necessary to make an informed decision. This is a first step in a changeover to a computerized circulation system. This system will enable the disabled patron to have access to the circulation catalog in a way that is not presently possible.

In autumn of 1997, the Berlin Public Library presented a book discussion series entitled "The Non-Fiction Novel and the Fiction of History" in conjunction with the New Hampshire Technical College at Berlin. This was a four part series presenting the historical figure in a fiction novel. In the spring of 1998, we presented "Down and Out in America", "The Road to War: World War II Comes to America" and "World War II: New Hampshire". The New Hampshire Humanities Council continues to provide

funding for the series with in-kind participation by the librarians.

The 1998 Summer Reading Program theme in the juvenile department was "Live Free and Read." The focus for this summer reading program was New Hampshire and nature. This was a very successful program with fifty-seven children registered.

This year's program provided activities every Wednesday for one week in June and every Wednesday in July. The Children's Department continues to have a Story Hour every Thursday morning during the winter months. We are very grateful to our many volunteers who so graciously give of their time.

Each year, the Library presents a literacy program entitled "Connections." This is a program that benefits adult readers with a literacy problem. This project is funded by the New Hampshire State Library. This is a much needed program that provides a wonderful service to the non-reader.

The Berlin Public Library's "Signs of our Times" is the way that we are presenting to our patrons a new information superhighway and bringing to our community the world at large.

Submitted by:  
*YVONNE THOMAS*  
Head Librarian



## Library Statistics 1997-98

Topics	Adult	Juvenile	Total
Generalities	110	72	182
Philosophy	242	47	289
Religion	127	70	197
Social Sciences	741	671	1,412
Languages	59	62	121
Natural Sciences	296	1,358	1,654
Useful Arts	1,112	710	1,822
Fine Arts	565	526	1,091
Literature	311	526	548
History	62	250	312
Travels	606	163	769
Biography	176	208	384
French	16		16
Videos	26,990		26,990
Re & Comm Spr	99		99
Periodicals	3,318	162	3,480
Fiction	19,106	9,685	28,791
Cassettes	4,105		4,105
Compact Discs	513		513
Flag	1		1
Paperbacks	4,103		4,103
<b>Totals</b>	<b>62,658</b>	<b>14,221</b>	<b>76,879</b>



## COMMUNITY SERVICES DIVISION

### RECREATION & PARKS DEPARTMENT

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This past year was filled with activity and momentum at the Berlin Recreation and Parks Department. Programs, infrastructure, and people were some of the key areas of progress during the 1997/98 year. With

mindfulness to financial matters, the Berlin Recreation and Parks Department staff, volunteers and patrons successfully maintained long standing recreational traditions, creating new visions for the future.

**THE MEMORIAL FIELD RENOVATION PROJECT** came to completion during this year. With difficulties and a slow down of the City's renovation efforts, this project seemed to be facing a dire end. But in the early summer of 1997 the project was adopted by Eli Isaacson and a new surge of energy was infused into the project. After a number of years of City work and many months of work on the part of the Isaacson group to harvest the bark base of the field for sale to Crown Vantage as an energy source, the view of a ballfield came back into focus. In the spring, the major harvesting holes were backfilled and the final grading was done in preparation for sod and irrigation systems. During the process, many problems occurred challenging the funding and continuation of the work. It is with great appreciation and respect that this report documents the untiring, unswerving, dedication on the part of the Eli Isaacson Trust and Isaacson Structural Steel in responding to each and every challenge with a positive attitude and a "We Can Get This Done" response. This project, greatly supported by community volunteers, is a hallmark of an entire

community joining together to make a dream a reality. Volunteers have contributed to building dugouts, painting fencing and the backstop, and creating a memorial site that we are all proud of. As this report is written, the Memorial Field is a beautiful park just ready for next season's baseball schedule.

**ELI ISAACSON** displayed true community support in his efforts to realize the renovation of the Memorial Field Ballfield. Even in the face of great personal struggle, Eli fostered the spirit to insure that the Memorial Field project was completed. In appreciation for his efforts to this, and many other recreation projects over the years, the Recreation Department staff and Commission successfully dedicated the Eli Isaacson Sports Complex. At a community ceremony on September 11, 1998, the Memorial Field, the Memorial Field Annex, and the Municipal 440 Running Track were designated as the Eli Isaacson Sports Complex.

**THE JERICHO LAKE REDEVELOPMENT COMMITTEE** began meeting in the spring of '98. This group has created a long term vision statement for future private and public development at the municipal park. The committee has worked faithfully to acquire information, statistics, and develop relationships with people who are interested in the future recreational potential of the park. A major interest of this group is to be part of the development of a Recreational Vehicle Park at Jericho Lake.

**MAINTENANCE CONSIDERATIONS** continued to be a major difficulty to the department in this past year. Through attrition and limitations from City Council on rehiring of maintenance members, the maintenance division is comprised of three individuals. With great commitment to their work, this small force of men continued to do their best in meeting the needs of our many parks and buildings. Showing true professionalism and commitment, the maintenance staff, supplemental staff support from other departments, and the inclusion of additional summer seasonal staff, insured that work continued at

staff, insured that work continued at maximum level. **VOLUNTEERS** have offered great support in making athletic sites a priority of their interest. These individuals and groups have provided endless hours of work for the improvement of Berlin's recreational infrastructure. A new storage building was built at the Running Track solely through the efforts of volunteers. The City has received the benefits of the talents and energy of Lorraine Leclerc in her commitment to insuring the creation of a Skate Park at Community Field. It is a critical time in the maintenance staffing division. The department must seek to expand this workforce in the future. As the community comes forward with ideas and requests for expanded recreation sites, there must be an equal relationship between the sites built and the workforce that is responsible for their maintenance. To the benefit of the City and the credit of the Recreation and Parks Department staff, the difficult challenges of maintaining the recreational infrastructure were met with success.

As we move into the third year of the Community Division organizational structure, **ALL MEMBERS OF THE RECREATION AND PARKS TEAM, STAFF MEMBERS, VOLUNTEERS AND PATRONS** have met what some thought was an impossible challenge. The department continues to provide quality program services to all segments of the community. Attendance to programs remains good and strong. Participants continue to enjoy programs and many repeat participants occur. Some new programs assisted by or created by the department in this fiscal year include Country Line Dancing, Adult Seasonal Crafts Classes, an all summer Jericho Lake Day Camp.

**IMPORTANT RECREATION PARTNERS ARE THE BERLIN RECREATION AND PARKS COMMISSIONERS.** During the past year this group of citizens has offered countless hours to the service of the City's recreation needs. Working in the area of property development, a unique role for the Commission, proved to be a great challenge

with varied community groups seeking permission to change the faces of community athletic fields. Through patience, thoughtfulness, and perseverance the Commission provided sound advice to the development issues facing parks. The Commission created a departmental Vision Statement and a complimentary Mission Statement, and further began the process of developing a complete Park Inventory that will document current conditions and future considerations for the community recreational sites.

**MEMORIALS COME IN ALL SIZES AND SHAPES** and this year the department and the City benefitted from numerous memorial donations. Along with the work at Memorial Field many businesses and private citizens gave to our parks in recognition for the efforts of key volunteers in the community. Most notable of this group was the great contributions from Eileen Rooney and the Rooney family in recognition of their father, Gus Rooney. Always a great supporter of sports and athletics, and later in life a Recreation and Parks Commissioner, Mr. Rooney is commemorated with the community Christmas Tree at the Vodoukis Park, benches and monument stones. Contributions of this type are a great assistance to a municipal department and are greatly appreciated.

**RECREATION GROWTH AND ENTHUSIASM** was clearly evident through the many renovation activities and proposals, the number of volunteers and sponsors the department and our program participants benefitted from, and the continuing recreational athletes, fans, supporters, and program participants that have been part of the past year. We thank each and everyone who joined us in demonstrating truth of the logo "**LEISURE. A BASIC HUMAN NEED**".

Submitted,  
**LAURA LEE VIGER**  
Community Services Director

## COMMUNITY SERVICES DIVISION WELFARE DEPARTMENT

The City Welfare Department provides General Assistance to residents who do not have sufficient resources for their basic needs because of unemployment, underemployment, or illness, and who do not qualify for State or Federal Aid. General Assistance is administered in compliance with the State of New Hampshire statutes and in accordance with written guidelines adopted by the City Council. All assistance is granted in the form of purchase orders to vendors and landlords and not by direct cash payments.

The Department directs a Work Program. Recipients who are physically and mentally able to work are assigned to City departments or non-profit organizations to work off the cash value of the assistance provided on a weekly basis. Established in 1982, the Program continues to be an important integral part of the administration of General Assistance.

"Signs of Our Times," an upturn in the local economy and the opening of the new Wal-Mart Department Store this spring, offered more job opportunities and is reflected in the following statistics for the fiscal year July 1, 1997 through June 30, 1998:

Activities	
Office Visits	1,867
Cases Interviewed	180
Welfare Orders Issued	717
Assisted Singles	63
Assisted Families	10
Assisted Cases Over 1 Year	39
Assisted Cases Less than 1 Year	34
Cases Eligible for Work Program	37
Hours worked on Work Program	3,790

The Department was successful in recovering a total of \$3,716.00 from nine cases which was returned to the General Fund.

The Department also provides information and referrals to appropriate agencies. The continued cooperation of local agencies and church organizations contributed to the effective management of the Department.

Submitted by:  
ANNETTE LANGEVIN  
Administrator of Welfare



Ongoing work at Memorial Field, part of the Eli Isaacson Sports Complex

## PLANNING DEPARTMENT

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In 1998, the City of Berlin set a new direction for planning and zoning. A

government reorganization was implemented that led to the Development Department being abolished and a new Planning Department created. In conjunction with this, the position of Development Director was eliminated and new positions of City Planner and Zoning Officer were created. These changes put a new focus on land use issues and planning for the future of our city.

The Planning Department's responsibilities include handling all applications and questions regarding land use issues, providing staff support to the Planning Board, Zoning Board of Adjustment (ZBA), and Berlin Industrial Development and Park Authority (BIDPA), as well as working on many projects. The department's functions are closely tied to the activities of these volunteer boards whose members all contribute many hours to the planning and development of Berlin.

The Berlin Planning Board is a large board with eighteen members. The interest and dedication of these members is outstanding. In the past year, the Board approved four major, complex Site Plan Review applications demanding many hours of the Board's time. In addition, the City Planner worked with the Board on revising Subdivision and Site Plan Review Regulations and writing Excavation Regulations. The Board has also continued its initiative for improvements to Route 110. A work planning process with the new Planning Department will help to move projects from the idea and planning stage into implementation. Part of this process has included working on a list of goals developed from Planning Board comments and input to the City's efforts to developing a vision statement.

The ZBA had a busy year with twenty cases for variances or special exceptions coming to the Board. As in past years, these cases are most often for variances to permitted uses in residential zones and for the construction of additions to

existing buildings where the owner's design does not meet the setback requirements. Berlin's Zoning Ordinance is in the process of being rewritten and the Zoning Board has provided valuable input to where changes will be needed in the new ordinance. The Planning Department, Planning Board and Zoning Board will be working together on this project in the coming year. The City's Zoning Officer works part-time and focuses on zoning issues that arise from building permit applications and on providing zoning information to the public.

BIDPA has been striving to become an active part of Berlin's industrial growth. The Board has been working on a database of available industrial and commercial land and buildings. BIDPA also serves as the landlord for the industrial park and other city owned buildings. To increase the marketability of the NYA building, the Board applied and was granted a variance from the ZBA to allow light industry in the building. With the correctional facility being built in Berlin, BIDPA is considering ways to use this to benefit industrial growth in Berlin. BIDPA is enthusiastic about working toward the future of Berlin's commercial and industrial growth.

The Planning Department is also involved in helping the City of Berlin to obtain grant funds for infrastructure improvements such as the replacing of old, small diameter water lines. In 1998, the department administered five public facility Community Development Block Grants with a total value of two million dollars.

Over the next year, the Department will continue with the efforts of the Planning Board, ZBA and BIDPA. We will work on creating a new foundation for land use in Berlin by rewriting the Zoning Ordinance which will help create a positive and easier approach to development in Berlin. Short and long range planning on projects and for the city will continue with a focus on completing several projects during the year. Public input is always welcome and we encourage citizens to become involved.

City Planner:	June Hammond Rowan
Zoning Officer:	Ron Baillargeon
Planning Bd Chair:	Richard Huot
ZBA Chair:	Robert Tremblay
BIDPA Chair:	Bernard Buzzell

## PUBLIC WORKS, ENGINEERING AND POLLUTION CONTROL



### Pollution Control

Facility. The Pollution Control Dept. replaced the emergency generator battery systems at both the Watson St. Pumping Station and the

Pollution Control Facility. The battery systems serve as the initial start up power source for the emergency generators at each facility. Back up energy sources are required to maintain operation during power outages. The new systems replace the original systems that were installed when the facility was constructed about 21 years ago. For environmental and operational reasons, the old nickel cadmium battery systems were replaced with conventional lead acid systems. This project cost approximately \$955.00.

The Pollution Control Dept. performed extensive rehabilitation work on the treatment facility's grit removal equipment. The work was completed predominantly with in-house expertise and labor. The rehabilitated grit removal equipment replaces original equipment installed when the facility was constructed. This equipment removes grit particles from the waste stream as part of the treatment process. Removal of grit at the beginning of the process protects down stream equipment from damage by the abrasive particles. The material and outside service cost of this project was \$9266.00. By completing the work in-house, a significant amount of money was saved.

The City engaged a contractor to construct a flood protection wall around the Watson St. Pumping Station. Recent flooding at the site suggested that the station was at risk. The work was completed in December of 1997. This was just in time for the spring flooding of 1998. The Androscoggin River rose to the highest it has in the history of the pumping station. The wall protected the station as it

was designed to do and significant damage was avoided. Outside engineering for the project cost \$3,706.84. The project concept was significantly detailed in-house in order to minimize the need for outside consulting. The actual construction cost for the work was \$37,051.00. The project was paid for with reserve funds.

The City engaged a contractor to remove and replace underground fuel oil storage tanks at the Watson St. Pumping Station and the Pollution Control Facility. The removal of these old tanks was mandated by Federal law. The contract was coordinated with other departments to remove and replace additional tanks at the Middle School and Industrial Park. The cost to upgrade the two Pollution Control tanks was \$54,890.00.

The Pollution Control Facility treated 801.18 million gallons of sanitary sewer flow, and 138,505 gallons of septage waste during the fiscal year. 1397 tons of municipal sludge were generated at the Pollution Control Facility and were deposited at the Mt. Carberry Landfill.

### Sanitary Sewer Collection System

The City engaged a general contractor to complete repairs to the municipal sanitary sewer and drain systems. The repairs were targeted by the 1994/1995 Inflow and Infiltration Study. The low bid for the project was \$717,887.80. By the end of the fiscal year the project was approximately 1/3 to 1/2 complete. By the end of the project, over 5500 feet of pipeline will be installed.

### Solid Waste

The East Milan Road Landfill closure was substantially completed in October of 1996. Closure of the landfill launched the 39 year post closure monitoring program. Groundwater quality and methane gas production was monitored in accordance with the program.

### Snow Removal

Timber was harvested from a 22 acre parcel of City property to provide space for a new City snow disposal area. Proceeds from the

timber harvest were used to develop the site. Work included road construction, site grading and the installation of a 30" culvert.

### Transportation

#### Street Markings

Center lines, edge lines, railroad crossings and crosswalks were painted as they are every year. The cost of this work was approximately \$4,200.00.

#### Bridges

The City, through its bridge consultant, completed and bid a maintenance contract requiring work on several bridges. The work was scheduled for fiscal year '99. Funding will come from the Capital Improvement Bridge Reserve Account.

#### Utility Infrastructure Upgrades

There were significant water main replacements during the fiscal year. These projects are predominantly administered through the Berlin Water Works. Because the water main replacements impact sewers, drains, sidewalks and streets, there is a significant amount of time required by the Engineering and Public Works Departments. Most of this time is spent answering questions about existing utilities and reviewing repair work on damaged facilities.

#### Unity Street Park and Sidewalk

The City, through the New Hampshire Department of Transportation and private contractor constructed the Unity St. sidewalk during the 1998 summer. Construction began in fiscal year '98. The project was funded with 80% of federal funds and 20% local funds covering the cost. The Unity Street Park was graded and seeded and a footpath providing views of the river's edge was constructed.

#### Public Works in General

The Public Works Department provides a number of services to the citizens of Berlin. They include: the maintenance of approximately 60 miles of streets and many more miles of sidewalks that need to be swept, patched and overlaid. We also provide snow removal, street striping, street marking, the fabrication and installation of street and traffic signs. We construct retaining walls, install guard rails and guard fence. We provide the City with daily garbage removal, a clean-up week in the

spring and fall. We maintain the Cates Hill Landfill, and five cemeteries. We also maintain sewerage and storm water collection systems. We provide equipment maintenance for all of the Public Works Department, Fire Department, Recreation Department, Health, Police Department and Engineering Department, and the Berlin Municipal Airport. We maintain gas and fuel distribution. We also provide 146 sand and salt barrels for winter use.

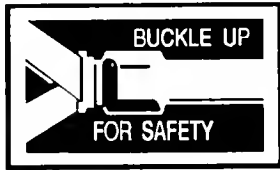
The Public Works Department recycles paper, glass, plastics, tin, aluminum and cardboard. We linseed-oil concrete sidewalks, retaining walls and bridges. We also constructed approximately 200 linear feet of concrete sidewalks. We repaired a number of culvert headers. The department also hauled and graded loam for the sand pit area at the airport. Members of the Department also provided utility information and project inspection for water and sewer capital improvement projects.

Repaired catch basins & manholes	11
Rebuilt manholes & catch basins	6
New catch basins & manholes	2
Replaced & installed new drain lines	120'
Replaced sewer lines	107'
Replaced service lines	138'
Catch basins cleaned by machine	273
Salt for winter use	1822.56 tons
Sand for winter use	4210.10 tons
Cover for Cates Hill Landfill	12,000 c.y.
Street signs installed & repaired	350
Spring Clean Up Week	4 weeks worked
Fall Clean Up Week	4 weeks worked
Responded to Private Sewer Calls	30

Respectfully submitted by,

JAMES A. WHEELER, P.E.  
Director of Public Works/City Engineer

## POLICE DEPARTMENT



POLICE: the preservation of peace, protection of life and property in a manner consistent with the

freedoms secured by the constitution. The mission of the Police Department is to provide community-oriented law enforcement designed to protect life and property, and maintain order, while assuring fair and equal treatment for all.

It is the responsibility of the Berlin Police Commission to appoint an appropriate number of qualified officers to maintain the safety and security of the community. After searching for more than a year, the Commissioners hired Gary Morin to fill the police officer's vacancy. Gary is a 1987 graduate of Berlin High School who immediately joined the US Air Force upon graduation. In 1996, Gary received an honorable discharge as Staff Sergeant and returned to Berlin. He is a welcome and much-needed addition to the Police Department.

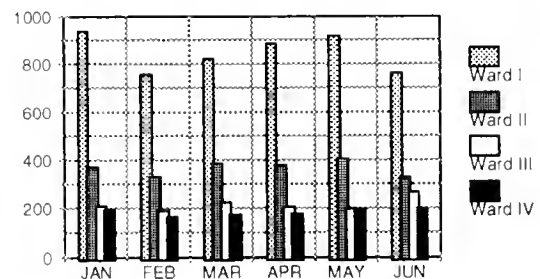
After nine years and many malfunctions and repairs, the Police Department now has 15 new state-of-the art Motorola portable radios equipped with sixteen-channel capacity and a "scrambling" system for high-risk situations. Good communication is one of the most important factors in the safe operations of any police department. The officers now feel secure in the fact that they have dependable communications equipment.

Captain Nadeau initiated a Neighborhood Watch Program, with Grandview Meadows as the first Berlin neighborhood

to carry the McGruff crime fighting sign. Since then, other neighborhoods have expressed an interest in such a program, and Capt. Nadeau will be working with them in the future. We expect the program to be very popular, so call now to ensure your neighborhood is placed on the top of the waiting list.

Captain Nadeau continues to apply for grant monies to offset the high cost of law enforcement. The Police Department received \$23,000 in grant money from the NH Highway Safety Agency and the Attorney General's Office for directed speed patrols, bicycle patrol, and undercover police work during the busy times of the week. With directed patrols, we were able to respond to the speed problem on Hillside Avenue. In addition, several arrests were made throughout the summer as a result of the Local Law Enforcement Block Grant.

CALL ANALYSIS BY WARD



Total offenses committed in 1997 were 1,371, and total crime related incidents were 733. Total restraining orders were 61. Total arrests equaled 358; 112 were on view and 231 were based on incidents/warrants. Berlin Police officers answered 17,497 calls for service in 1997, and Ward I received more than half of the calls-for-service with 52.6%, while Ward II received 22.7%, Ward III received 13.3%, and Ward IV received 11.4%. There were 710 crime victims in the year

1997; 350 were male, and 360 were female. The highest number of male victims was from the 35-54 age group followed by the 18-24 age group. Similarly, the highest number of female victims was from the 35-54 age group; however, it was followed by the 25-34 age group. The busiest month was July; October was second, and June was third. The breakdown of those arrested by sex and race produced the following: 393 arrests, 285 white males (majority coming from the 18-24 age group), 13 black males, 5 race unknown males, and 95 white females (majority coming from the 25-34 age group). More arrests were made on Friday between 11 PM and 1 AM than any other time period.

Respectfully Submitted,  
**ALAN TARDIF**  
 Chief of Police

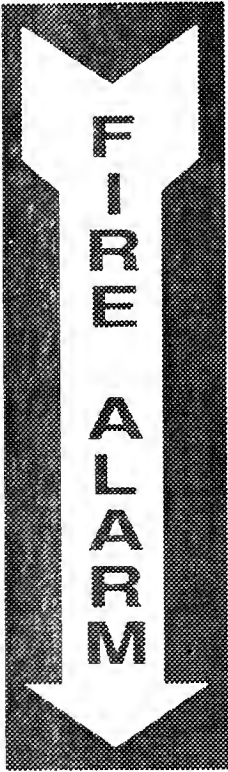
UCR PART ONE REPORTED CRIMES 1997	
RAPE	29
AGGRAVATED ASSAULT	20
BURGLARY	19
LARCENY	207
MV THEFT	25
ARSON	2
SIMPLE ASSAULT	141
FORGERY	6
FRAUD	3
CRIMINAL MISCHIEF	252
WEAPONS-POSSESSION	5
DRUG OFFENSES	9
FAMILY OFFENSES	31
DWI ARRESTS	38
LIQUOR LAWS	30
DISORDERLY CONDUCT	12
DRUNK/DISORDERLY CUSTODY	8
ALL OTHER CRIMES	534



NH Job Training students help with painting at Memorial Field



## FIRE DEPARTMENT



The Berlin Fire Department continues its dedication to providing important emergency services to the citizens of Berlin with a commitment to provide these services with the quality and standards that are necessary in this modern age. As the City continues the work on the vision of the future of Berlin, the officers and Firefighters of the Berlin Fire Department are committed with a goal of meeting the department's mission. We would like to share the Berlin Fire Department Mission Statement with the citizens it protects:

### *Mission Statement*

*The mission of the City of Berlin Fire Department is to provide the highest level of service to protect life, property, and the environment through:*

*The efficient and effective response to all calls for assistance including fire, rescue, and hazardous materials emergencies and other natural and man made disasters.*

*The delivery of service 24 hours a day by trained professionals who serve with excellence, dedication and pride.*

*The providing of professional and sound prevention and inspection services.*

*The delivery of quality life safety education.*

### **BFD Calls for FY97**

Assist Police	2
Bomb Scare	2
Chimney Fire	1
Dangerous Situation	14
DHART	28
Electrical Fire	4
Electrical Problem	23
False, Malicious	20
False, Unintentional	93
Furnace Problem	8
Leak/Spill	50
Lock Out	0
Medical Aid	7
Outside Fire	24
Rescue	9
Smoke Scare	17
Sprinkler Problem	2
Structure Fire	20
Vehicle Accident	46
Vehicle Fire	14
Water Problem	
<b>Total</b>	<b>399</b>

### Fire Prevention Bureau Inspections

Places of Assembly	20
Oil Burners	78
L.P. Gas	10
New Construction	108
Wood Burner/Chimney	8
Health Care	12
Complaints Investigated	16
Industrial	3
Foster Homes	12
Day care	5
Alarm Inspections	35
Misc. Inspections	48
Public Education	21

### Permits Issued and HUD Inspections

New Single Family Houses	1
Signs	23
Temporary	5
Sheds, Barns, etc.	7
Poo's, Retaining Walls	6
Siding	26
Residential Alterations	129

### Permits Issued and HUD Inspections

(cont.)

Residential Additions	30
Commercial Additions	8
Commercial Alterations	52
Industrial Additions	2
Industrial Alterations	5
Non-residential & Non-housekeeping	2
Residential Garages	8
Institutional Additions or Alterations	5
Demolition, Residential Buildings	5
Other Demolitions and Tank Removals	17
Electrical	73
Plumbing	18
Mechanical	4
Recreational	1
Public Works & Utilities	1
Total	428

### Housing Inspections

Initial Inspections	24
Annual Inspections	305
Re-inspections	231
Total	560

Submitted by: **PAUL FORTIER**  
Fire Chief

## BERLIN WATER WORKS



During this report period, the following were appointed to the Board of Water Commissioners: Alfred H. Legere, Richard P. Fournier, Joan C. Merrill and Robert Delisle to replace the following board members: Regis

M. Saucier, Paul E. St.Hilaire, Gerard R. Chouinard, Daniel T. Collins and Robert G. Baillargeon. Mayors Richard P. Bosa and Robert J. DePlanche served as ex-officio members to the Board.

As a result of changing from a calendar year budget to a July fiscal year budget, two budget periods were approved by the Board, one for a six month period from January 1, 1998 to June 30, 1998 and one for FY 1999. For the six month budget, a sum of \$978,853.00 was approved with \$693,385.00 for operations and \$285,468.00 for bond debt. A sum of \$2,476,029.00 was approved for the FY 1999 budget with \$1,315,600.00 for operations and \$1,160,429.00 for bond debt. The State share of water bond debt involving required surface water treatment rule infrastructure improvements in the amount of \$298,183.35 was received during this report period.

Treated water entering our distribution system was 630,404,333 gallons for an average day use of 1.73 million gallons. This is considerably less than our last report and is due to Water Works employees finding and isolating a large water main leak on lower Glen Avenue and another substantial leak adjacent to the Police-Recreation building which is a cross lot water main from First Avenue to Gilbert Street area. In addition several smaller leaks have been eliminated by the replacement of old galvanized water mains with new eight inch water mains with hydrants installed to provide for better fire protection.

The January 20, 1997 City Ordinance, which pertained to the Water Commissioners and specifically to fiscal accountability, was repealed

on November 17, 1997 by City Council. The Board accepted a three year proposal from Vachon Clukay & Co, P.C. for auditing services.

Running water program to prevent service lines from freezing was started on December 12, 1997 and ended on April 5, 1998 with Water Works staff responding to two frozen water calls.

The CPAR project involving the U.S. Army Corps of Engineers has been brought to closure.

Lead and copper water samples were taken for sixty homes in May for testing at the State laboratory to determine if the water meets EPA lead and copper rule. Results of the test were sent to each sample owner and Lead Notification news release was provided to the news media.

Water Works staff assisted the City's Community Development Block Grant consultant Donna Lane with preparing a January 1998 application for \$500,000.00 to replace/improve small diameter water mains. The July 1997 CDBG application has been approved and the City retained Earth Tech of Concord, NH to provide engineering services for this water main project. The Coos County CDBG Grant for the Cates Hill wood storage tank project got underway with Provan & Lorber of Littleton, chosen by the county to provide engineering services and with Hebert Construction of Colebrook, NH being the successful bidder for construction of the tank. Work is scheduled to be completed late summer of 1998.

Scott Construction, Inc d/b/a SCI Group, Newport, VT, was the low bid contractor for both the Rural Development water main replacement project and the 1996 CDBG water main project. Contracts were signed and except for minor repair items and final surface restoration work, all of the water mains and service lines have been installed and are in active service.

Water Works employees installed an eight inch water main and one hydrant on Rockingham Street to replace the old two inch galvanized water main which had failed in the spring of 1997. CDBG funds paid for the cost of this project which was available from unspent CDBG East Side water main project funding.

Electrical Installation, Inc. installed new switchgear at the Androscoggin Water Treatment Facility.

National Drinking Water Week, May 3<sup>rd</sup> to May 9<sup>th</sup>, was celebrated again with an open house held at the Ammonoosuc Treatment Plant. Mayor DePlanche signed a proclamation to honor this week. In addition, Richard Skarinka from NH Department of Environmental Services and Mr. Johnson appeared on the local talk show to provide information and answer questions on drinking water issues.

The Board approved a five percent rate increase for metered consumption which became effective for the April 1998 billing. Conversion of water meters from visual read to touch read continues.

Easements were signed by the Board in May to permit Portland Natural Gas Transmission System to install a gas pipeline and appurtenances on Water Works property adjacent to its East Milan Road Treatment Facility.

The Board authorized Mr. Johnson to apply for State of NH Clean Drinking Water Revolving Loan Funds for replacement of small diameter water mains and for a new two million gallon water storage tank. Work continues to seek an EDA Federal Grant from the Department of Commerce to assist in the cost of the new Lancaster Street water storage tank project.

Water Works employees Alva McKenzie and Rene Bergeron with assistance from Water Works staff designed, built and installed a new gate for the Godfrey Dam spillway which provides for a safer, quicker method to control reservoir water levels behind the dam. I wish to express our thanks to these exceptional and talented employees.

Submitted by:

Albin Johnson, P.E.  
Superintendent & Chief Engineer



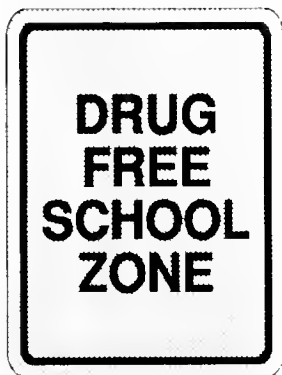
January 29, 1998 - Godfrey Dam



January 1998 Ice Storm

## BERLIN PUBLIC SCHOOLS

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The drafted vision of the Berlin District Schools is "Students and graduates of the Berlin Public Schools will be active, life-long learners who participate constructively in the civic, economic, educational and cultural growth of their continually changing, information based, local and global communities."

The State of New Hampshire has increased funding for education to the City of Berlin. The City government and citizens have been supportive of the educational system. Renovations of the High School and the Hillside-Junior High complex should be complete by the fall of 1998. The School-To-Career Program has involved many of our students and many community organizations. The District and the Berlin Education Association and Local 1444 have settled on a three year contract.

The New Hampshire Frameworks and the K-12 coordination continue to be valuable concepts in our constant curriculum revision. All schools will be evaluated by the State next year, and the High School will prepare for its self evaluation for the New England Association of Schools and Colleges evaluation in October 2000.

The second year of our five-year Technology Plan was completed. Training for the staff has been ongoing and technology hardware has been secured for students in all our schools.

The school district intends to continue to work with all entities of the community to continue to provide the best education for all our students.

R. Bruce MacKay  
Superintendent of Schools

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### *"Silence"*

*by: Marsha Blanchette*

*Silence is the sunset.*

*Working its way over a mountain*

*On a warm summer's day.*

*Silence I see*

*So early in the morning as fog forms*

*So close over the lake.*

*Slowly creeping itself in the air.*

*Making dew form on the grass and leaves.*

*Silence to me*

*Lasts only a minute.*

*And to witness this is a moment never to forget.*

*Silence is*

*The earth, a flower not yet bloomed.*

*A bud, for when it opens it is*

*Never to be seen, never to be heard.*

*That is how silence is.*

*How silence is to me.*

## BERLIN MUNICIPAL AIRPORT

The Berlin Municipal Airport continues to be a very important part of New Hampshire's Great

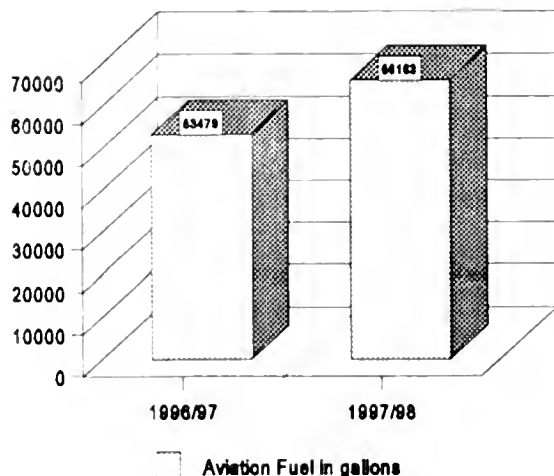


North Woods. We pride ourselves for being a place of first impressions for air travelers. Your airport has seen some very significant changes in the past two and half years and 1998 has proved to have been

another busy year at the Berlin Airport.

Airport staff has been engaged in several large projects during the past year. We have applied to the Federal Aviation Administration, have been accepted for a grant, and gone through the bid process for a new piece of snow plow equipment. All runway markings have been repainted; the fuel truck garage and maintenance building have been renovated. A stump removal project on the north end of the airport near French Hill Road was completed.

An airport brochure was put together for distribution to the aviation community and others as an introduction to the Berlin Airport. The brochure promotes the airport, its services and gives necessary information for pilots to land safely. As a new service to incoming flights, the Berlin Airport offers rental cars to its customers.



Fuel sales continued to be very strong during 1998, and remain the backbone of revenues generated at the Berlin Airport.

In preparing for the next millennium, the Berlin Municipal Airport is in line for two large projects for the summer of 1999. A ramp reconstruction/expansion and the construction of security fencing on the easterly side of the runway will be part of the Federal Airport Improvement Program which is 95 % funded by the Federal Aviation Administration and the State of New Hampshire.

The Berlin Airport Authority has supported many projects to improve the Berlin Airport. Thanks to their vision and the hard work of employees, fixed base operators, pilots, White Mountain Flyer's Association and all associated with the Berlin Airport. Your airport today is a "Sign of Our Times," a sign of renewed commitment and growth which we can all take pride in.

Respectfully submitted,  
**ERIC KAMINSKY**  
 Airport Manager



## BERLIN HOUSING AUTHORITY



Rental assistance payments made in 1997 to owners of Berlin residential properties taking part in the Authority's Section 8 certificate, voucher and moderate rehabilitation programs totaled some \$690,000, down \$57,000 from the total paid out in 1996. Over the past eight years, such payments have come to some \$5.7 million.

Program utilization at year's end stood at 96.2 percent, with 357 of the 371 units allotted to the Authority under lease at December 31; that lease-up rate was down more than a point from that of last December 31, when leases on 363 units were in effect. The chart attached to this report shows that the lower utilization rate is accounted for wholly by a drop in the numbers enrolled in the Authority's tenant-based program, i.e., rental certificates and vouchers. Those programs "took a hit" in February of 1996 when Congress ordered that local housing authorities not re-issue "turnover" rental certificates and vouchers for 90 days from the date they had been recaptured from families who had formerly held them. As illustrated by this report, that action (together with others taken on HUD's own hook) has had the desired result: a lowering of federal spending on assisted housing.

Russell Kinney of Pershing Street was re-appointed to the Board on November 17, 1997. He has been a member of the Authority since 1989 and serves as its Vice-Chairman.

Submitted by: **DON MANGINE**  
Director

Assets		
Assets	1996	1997
Cash	119,597	83,374
Security deposits	6,123	6,469
Accounts Receivable HUD St. Regis House	4,031 1,491	1,333
Investments	473,295	496,056
Debt amortization tunds HUD receivable	78,323	78,323
Prepaid insurance	3,248	3,412
Land structures & equipment	1,442,925	1,442,925
TOTAL ASSETS	2,129,033	2,111,892

Liabilities		
Liabilities	1996	1997
Accounts Payable HUD Other	50,706 2,752	3,867
Accrued Liabilities	10,688	12,782
Notes Payable	748,685	719,910
Prepaid HUD contributions (net)	19,855	19,388
TOTAL LIABILITIES	832,686	755,947

Equity		
Operating reserves	523,783	554,608
Cumulative HUD contributions (net)	772,564	801,357
TOTAL EQUITY	1,296,347	1,355,945

Total		
TOTAL LIABILITIES AND EQUITY	2,129,033	2,111,892

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor, City Council and Manager  
City of Berlin, New Hampshire

We have audited the accompanying general purpose financial statements of the City of Berlin, New Hampshire as of and for the year then ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Berlin, New Hampshire's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The general purpose financial statements referred to above do not include the financial statements of the Berlin Water Works and the Public Works Pension Trust (component units of the City), which should be included to conform with generally accepted accounting principles. The Berlin Water Works and Public Works Pension Trust utilize different year ends. Effective January 1, 1997, the Berlin Water Works changed its year end to June 30. The omitted financial statements for the Berlin Water Works has assets, liabilities, revenues and expenses of \$18,896,094, \$10,791,994, \$3,712,722 and \$3,234,863 respectively based on audited information as of June 30, 1998 and for the eighteen months then ended. The amounts that should be recorded in the Public Works Pension Trust as of August 31, 1998 and for the year then ended is unavailable.

As more fully described in Note 1, the general purpose financial statements referred to above do not include the financial statements of the General Fixed Asset Account Group, which should be included in order to conform with generally accepted accounting principles. The amount that should be recorded in the General Fixed Asset Account Group is not known.

In our opinion, except for the effects on the general purpose financial statements of the omission described in the preceding paragraphs, the general purpose financial statements referred to above present



fairly, in all material respects, the financial position of the City of Berlin, New Hampshire as of June 30, 1998, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 1998 on our consideration of the City of Berlin, New Hampshire's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the City of Berlin, New Hampshire taken as a whole. The combining financial statements listed as schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Berlin, New Hampshire. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects in relation to the general purpose financial statements taken as a whole.

Vachon, Cluckey & Co. PC

September 4, 1998 (Except Note 21 for which the date is February 5, 1999)

ASSETS	Governmental Fund Types			Proprietary Fund Types Enterprise	Fiduciary Fund Types Trust & Agency	Account Group General Long-Term Debt	Totals (Memorandum Only)	
	General	Special Revenue	Capital Projects				1998	1997
Cash and cash equivalents	\$2,063,242		\$3,501,606		\$125,499		\$2,188,741	\$2,905,343
Investments	2,025,435				441,781		5,968,822	7,928,181
Taxes receivable, net	10,276,199	\$4,738	12,822				10,276,199	8,224,759
Accounts receivable, net	1,286,958	203,614	366,770	\$208,335			1,512,853	1,423,314
Due from other governments							570,384	248,892
Prepaid expenses	77,921			4,336			82,257	71,425
Due from other funds	514,407	66,711	1,669,448	2,391,725	1,200		4,643,491	10,086,757
Advance to other fund			240,000				240,000	280,000
Restricted assets - cash	5,097						5,097	3,801
Inventory		11,289		16,746			28,035	24,537
Property, plant and equipment, net				23,047,135			23,047,135	23,377,029
Amount to be provided for retirement of general long-term obligations						\$13,370,934	\$13,370,934	8,300,362
<b>Total Assets</b>	<b>\$16,249,259</b>	<b>\$286,352</b>	<b>\$5,790,646</b>	<b>\$25,668,277</b>	<b>\$568,480</b>		<b>\$61,933,948</b>	<b>\$62,874,400</b>
<b>LIABILITIES AND FUND EQUITY</b>								
<b>Liabilities</b>								
Accounts payable	\$169,054	\$29,180	\$971,019	\$333,303			\$1,502,556	\$421,135
Accrued liabilities	209,981	2,330		57,078			269,389	427,239
Retainage payable			246,161	17,430			263,591	162,218
Deferred revenue	13,025,333			113,512			13,138,845	10,612,321
Due to other governments	613,097				\$13,797		613,097	501,027
Due to other funds	3,993,698	223,923	412,073	240,000			4,643,491	10,086,757
Advance from other fund					108,849		108,849	85,397
Due to student groups	5,097						5,097	3,801
Payable from restricted assets								5,000,000
Bond anticipation note payable								428,394
Notes payable								3,883,190
General obligation debt payable				414,150		\$10,150,182	10,150,182	407,390
Capital lease payable						433,535	433,535	1,133,977
Other long-term obligations						1,699,555	1,699,555	1,801,575
Accrued compensated absences payable								1,074,230
Estimated liability for landfill closure and postclosure care costs								36,308,651
<b>Total Liabilities</b>	<b>18,016,260</b>	<b>255,433</b>	<b>1,629,253</b>	<b>1,175,473</b>	<b>122,646</b>		<b>34,569,999</b>	<b>23,149,189</b>
<b>Fund Equity (Deficit)</b>								
Contributed capital								1,693,302
Retained earnings								127,278
<b>Fund Balances</b>								
Reserved for endowments								201,103
Reserved for encumbrances		3,508						71,425
Reserved for prepaid expenses								240,000
Reserved for advances			240,000					
Unreserved								
Designated								
Undesignated								
<b>Total Fund Equity</b>	<b>163,001</b>	<b>95,092</b>	<b>4,044,637</b>	<b>112,006</b>	<b>131,953</b>		<b>4,850,860</b>	<b>2,364,211</b>
	77,921	(67,681)	(123,244)	201,875			(2,596,098)	(1,280,759)
		30,919	4,161,393	445,834			27,363,949	26,565,749
<b>Total Liabilities and Fund Equity</b>	<b>\$16,249,259</b>	<b>\$286,352</b>	<b>\$5,790,646</b>	<b>\$25,668,277</b>	<b>\$568,480</b>	<b>\$13,370,934</b>	<b>\$61,933,948</b>	<b>\$62,874,400</b>

See notes to financial statements

## EXHIBIT B

**CITY OF BERLIN, NEW HAMPSHIRE**

## Combined Statement of Revenues, Expenditures and Changes in Fund Balances

## All Governmental and Similar Trust Fund Types

For the Year Ended June 30, 1998

	Governmental Fund Types			Fiduciary Fund Types	Totals (Memorandum Only)	
	General	Special Revenue	Capital Projects	Expendable Trust	1998	1997
Revenues:						
Taxes	\$10,344,373				\$10,344,373	\$11,672,348
Licenses and permits	999,914				999,914	956,879
Intergovernmental revenues	4,702,445	\$718,149	\$2,177,171		7,597,765	4,607,121
Charges for services	1,376,721	818,129			2,194,850	2,270,823
Miscellaneous revenues	542,815	80,000	210,975	\$5,470	839,260	699,364
Total Revenues	17,966,268	1,616,278	2,388,146	5,470	21,976,162	20,206,535
Expenditures:						
Current:						
General government	2,336,298				2,336,298	2,234,716
Public safety	2,133,946				2,133,946	2,072,451
Airport/Aviation center		154,685			154,685	200,659
Highways and streets	1,416,213	25,574			1,441,787	1,421,159
Health and welfare	448,638	433,227		3,345	885,210	976,307
Sanitation	307,974				307,974	230,799
Culture and recreation	297,277	42,972			340,249	348,532
Education	8,459,429	584,715		500	9,044,644	8,314,060
Food service		322,518			322,518	313,348
Capital outlay	883,743	68,569	5,138,667		6,090,979	2,812,402
Debt service:						
Principal of debt	1,400,000	15,367	56,703		1,472,070	1,394,585
Interest and fiscal charges	890,736	5,557	116,763		1,013,056	1,057,562
Intergovernmental	1,356,400				1,356,400	1,285,450
Total Expenditures	19,930,654	1,653,184	5,312,133	3,845	26,899,816	22,662,030
Excess of Revenues Over (Under) Expenditures	(1,964,386)	(36,906)	(2,923,987)	1,625	(4,923,654)	(2,455,495)
Other Financing Sources (Uses):						
Proceeds of long-term debt			6,000,000		6,000,000	1,056,367
Capital lease proceeds	43,351				43,351	
Operating transfers in	37,649	35,518			73,167	38,255
Operating transfers out	(30,518)	(5,000)	(22,649)		(58,167)	(38,255)
Total Other Financing Sources (Uses)	50,482	30,518	5,977,351		6,058,351	1,056,367
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,913,904)	(6,388)	3,053,364	1,625	1,134,697	(1,399,128)
Fund Balances - July 1	146,903	37,307	1,108,029	110,381	1,402,620	2,801,748
Fund Balances (Deficit) - June 30	(\$1,767,001)	\$30,919	\$4,161,393	\$112,006	\$2,537,317	\$1,402,620

See notes to financial statements

EXHIBIT C  
CITY OF BERLIN, NEW HAMPSHIRE

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual (Budgetary Basis) - General and Special Revenue Funds  
For the Year Ended June 30, 1998

	General Fund			Special Revenue Funds			Totals (Memorandum Only)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues									
Taxes	\$12,339,747	\$12,592,785	\$253,038				\$12,339,747	\$12,592,785	\$253,038
Licensees and permits	789,517	999,914	210,397				789,517	999,914	210,397
Intergovernmental revenues	4,310,245	4,590,569	280,324	\$639,525	\$716,949	\$77,424	4,949,770	5,307,518	357,748
Charges for service	1,411,863	1,376,721	(35,142)	175,000	201,030	26,030	1,586,863	1,577,751	(9,112)
Miscellaneous revenues	347,983	542,815	194,832				347,983	542,815	194,832
Total Revenues	19,199,355	20,102,804	903,449	814,525	917,979	103,454	20,013,880	21,020,783	1,006,903
Expenditures									
Current									
General government	2,475,244	2,335,920	139,324				2,475,244	2,335,920	139,324
Public safety	2,163,817	2,108,213	55,604				2,163,817	2,108,213	55,604
Airport/Aviation center	1,437,833	1,415,429	22,404				1,437,833	1,415,429	22,404
Highways and streets	510,994	447,407	63,587				510,994	447,407	63,587
Health and welfare	328,300	307,974	20,326				328,300	307,974	20,326
Sanitation	298,956	297,277	1,679				298,956	297,277	1,679
Culture and recreation	8,308,000	8,307,460	540	492,125	586,326	(94,201)	8,800,125	8,893,786	(93,661)
Education				322,400	322,518	(118)	322,400	322,518	(118)
Food service							887,360	872,406	14,954
Capital outlay	887,360	872,406	14,954						
Debt service									
Principal of debt	1,505,000	1,400,000	105,000				1,505,000	1,400,000	105,000
Interest and fiscal charges	1,144,828	890,736	254,092				1,144,828	890,736	254,092
Intergovernmental	1,356,400	1,356,400					1,356,400	1,356,400	
Total Expenditures	20,416,732	19,739,222	677,510	814,525	908,844	(94,319)	21,231,257	20,648,066	583,191
Excess of Revenues over (under) Expenditures	(1,217,377)	363,582	1,580,959		9,135	9,135	(1,217,377)	372,717	1,590,094
Other Financing Sources (Uses)									
Operating transfers in	15,000	37,649	22,649				15,000	37,649	22,649
Operating transfers out		(30,518)	(30,518)					(30,518)	(30,518)
Total Other Financing Sources (Uses)	15,000	7,131	(7,869)				15,000	7,131	(7,869)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(1,202,377)	370,713	1,573,090		9,135	9,135	(1,202,377)	379,848	1,582,225
Fund Balances - July 1, 1997 - Budgetary Basis	2,750,123	2,750,123		16,508	16,508		2,766,631	2,766,631	
Fund Balances (Deficit)- June 30, 1998 - Budgetary Basis	\$1,547,746	\$3,120,836	\$1,573,090	\$16,508	\$25,643	\$9,135	\$1,564,254	\$3,146,479	\$1,582,225

See notes to financial statements

**EXHIBIT D**  
**CITY OF BERLIN, NEW HAMPSHIRE**

Combined Statement of Revenues, Expenses and Changes in Retained Earnings Fund Balances

All Proprietary Fund Types and Similar Trust Funds

For the Year Ended June 30, 1998

	Proprietary Fund Types				Fiduciary Fund Types	
	Enterprise Funds					
	Sewer Fund	Industrial Development and Park Authority Fund	Courthouse Fund	Cates Hill Landfill Fund	Total	Non-Expendable Trust Funds
Operating Revenues:						
Charges for service	\$1,073,180		\$34,386	\$60,971	\$1,168,537	\$1,168,537
Miscellaneous revenue		\$150,360			150,360	150,360
Investment income	1,073,180	150,360	34,386	60,971	1,318,897	17,456
Total Operating Revenues						1,336,353
Operating Expenses						
Personal services	357,623		8,996	23,440	390,059	390,059
Maintenance, operations and contractual services	206,320	25,047	11,129		242,496	242,496
Materials and supplies	119,436		1,431	890	121,757	121,757
Utilities	118,455		10,845	1,027	130,327	130,327
Depreciation	692,501	42,103			734,604	734,604
Miscellaneous			549	17,495	18,044	26,985
Total Operating Expenses	1,494,335	67,150	32,950	42,852	1,637,287	1,632,841
Net Operating Income (Loss)	(421,155)	83,210	1,436	18,119	(318,390)	(301,869)
Non-Operating Revenues (Expenses)						
Interest, net	(5,570)	(33,620)		22,893	(16,297)	(16,297)
Bequests						4,675
Total Non-Operating Revenues (Expenses)	(5,570)	(33,620)		22,893	(16,297)	(11,622)
Income (Loss) before operating transfers	(426,725)	49,590	1,436	41,012	(334,687)	(321,497)
Operating Transfers:						
Operating transfer out			(15,000)		(15,000)	(15,000)
Total Operating Transfers			(15,000)		(15,000)	(15,000)
Net Income (Loss)	(426,725)	49,590	(13,564)	41,012	(349,687)	(336,497)
Add depreciation on plant assets acquired by grants externally restricted for capital acquisitions that reduces contributed capital	528,485				528,485	528,485
Increase (Decrease) in Retained Earnings Fund Balances	101,760	49,590	(13,564)	41,012	178,798	191,988
Retained Earnings/Fund Balances - July 1	678,913	474,918	102,566	436,905	1,693,302	2,013,940
Retained Earnings/Fund Balances - June 30	\$780,673	\$524,508	\$89,002	\$477,917	\$1,872,100	\$2,205,928
						\$2,013,940

See notes to financial statements

EXHIBIT E  
**CITY OF BERLIN, NEW HAMPSHIRE**  
 Combined Statement of Cash Flows  
 All Proprietary Fund Types and Similar Trust Funds  
 For the Year Ended June 30, 1998

	Proprietary Fund Types				Judiciary Fund Types	
	Enterprise Funds				Fund Types	
	Industrial Development and Park Authority Fund	Courthouse Fund	Cities Hill and Hill Fund	Total	Non-Expendable Trust Funds	Totals (Memorandum Only) 1998 1997
Cash Flows from Operating Activities						
Cash received from services	\$1,082,890	\$144,475	\$56,452	\$1,318,892	\$1,318,892	\$1,340,028
Cash received on trust investments					\$17,456	16,274
Cash paid to suppliers and employees	(781,692)	(27,347)	(42,570)	(884,524)	(894,411)	(910,369)
Net Cash Provided by Operating Activities	301,198	117,128	13,882	434,368	442,883	445,933
Cash Flows from Noncapital Financing Activities						
Cash paid to other funds		(15,000)		(15,000)		(15,000)
Net Cash Used by Noncapital Financing Activities					(15,000)	
Cash Flows from Capital and Related Financing Activities						
Principal paid on note payable		(14,244)		(14,244)	(14,244)	(13,044)
Interest paid on note payable		(33,620)		(33,620)	(33,620)	(35,778)
Proceeds from direct financing lease						35,332
Principal paid on advance from other fund	(40,000)			(40,000)	(40,000)	(40,000)
Interest paid on advance from other fund	(14,335)			(14,335)	(14,335)	(16,224)
Acquisition of fixed assets	(104,748)			(104,748)	(104,748)	
Bequests					4,675	2,075
Net Cash Provided (Used) by Capital and Related Financing Activities	(159,083)	(47,864)		(206,947)	(4,675)	(67,639)
Cash Flows from Investing Activities						
Net (increase) in investment securities					(11,516)	(10,510)
Interest on investments	8,765		22,893	31,658	31,658	35,270
Net Cash Provided (Used) by Investing Activities	8,765		22,893	31,658	(11,516)	24,760
Net Increase (Decrease) in Cash and Cash Equivalents	150,880	69,264	36,775	244,079	1,674	403,054
Cash and Cash Equivalents, July 1	1,133,862	457,003	434,181	2,147,646	6,547	1,751,139
Cash and Cash Equivalents, June 30	\$1,304,742	\$526,267	\$470,956	\$2,391,725	\$8,221	\$2,154,193

See notes to financial statements

EXHIBIT E  
**CITY OF BERLIN, NEW HAMPSHIRE**  
 Combined Statement of Cash Flows  
 All Proprietary Fund Types and Similar Trust Funds (Continued)  
 For the Year Ended June 30, 1998

	Proprietary Fund Types				Fiduciary Fund Types		
	Enterprise Funds				Total	Non-Expendable Trust Funds	Totals (Memorandum Only) 19981997
	Sewer Fund	Industrial Development and Park Authority Fund	Courthouse Fund	Cates Hill Landfill Fund			
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by Operating Activities:							
Net Operating Income (Loss)	(\$421,155)	\$83,210	\$1,436	\$18,119	(\$318,390)	\$8,515	(\$309,875) (\$301,869)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operating Activities:							
Depreciation	692,501	42,103			734,604		732,719 5,669
Loss on direct financing lease							
Change in assets and liabilities							
(Increase) decrease in accounts receivable	9,960	(11,537)		(4,519)	(6,096)		(6,096) 25,080
(Increase) in prepaid expenses	(4,336)				(4,336)		(4,336)
(Increase) decrease in inventory	(1,644)				(1,644)		(1,644) 4,159
Increase (decrease) in accounts payable	14,173		(34)	(94)	14,045		14,045 (13,606)
Increase (decrease) in accrued liabilities	11,949	(2,300)	69	376	10,094		10,094 (6,469)
Increase (decrease) in deferred revenue	(250)	5,652	689		6,091		6,091 250
Net Cash Provided by Operating Activities	\$301,198	\$117,128	\$2,160	\$13,882	\$434,368	\$8,515	\$442,883 \$445,933
Noncash Transactions Affecting Financial Position:							
Amortization of contributions in aid	\$528,485				\$528,485		\$528,485 5,669
Loss on direct financing lease	164,720	\$135,242			299,962		299,962
Fixed asset additions included in year end liabilities	\$693,205	\$135,242			\$828,447		\$828,447 \$534,154

See notes to financial statements

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**  
**June 30, 1998**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Berlin, New Hampshire conform to generally accepted accounting principles for local governmental units, except as indicated hereinafter. The following is a summary of significant accounting policies:

***Financial Reporting Entity***

The City of Berlin, New Hampshire (the "City") was incorporated in 1829. The City operates under the City Council/City Mayor form of government and performs local governmental functions authorized by State law.

The accompanying financial statements of the City present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the cash flows of the proprietary fund types and similar trust funds types.

The financial statements include those of the various departments governed by the City Council and other officials with financial responsibility. The City has no organizational units which meet criteria for inclusion in the financial statements as defined by the Governmental Accounting Standards Board, except for the Berlin Water Works and Public Works Pension Trust (component units of the City). Effective January 1, 1997, the Berlin Water Works changed its year end to June 30. As a result, the audited financial statements of the Berlin Water Works are as of June 30, 1998 and for the eighteen months then ended. The Public Works Pension Trust has a fiscal year ended August 31 and is audited and reported separately from other City funds. These two component units should be included as part of the reporting entity in accordance with generally accepted accounting standards, but City officials have decided not to include them due to the different fiscal years of the entities.

***Fund Accounting***

The accounts of the City are organized on the basis of funds and account groups, each of which is a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues, and expenditures/expenses. The various funds are summarized by type in the financial statements.

Individual funds and account groups summarized in the financial statements are classified as follows:

**Governmental Funds**

*General Fund* - used to account for all revenues and expenditures which are not accounted for in other funds or account groups.

*Special Revenue Funds* - used to account for specific restricted revenues and expenditures for various purposes. The following funds have been accounted for as Special Revenue Funds:



**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1998**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Community Development Fund	Federal Projects Fund
Food Service Fund	Health Department Fund
Airport Authority Fund	Carberry Fund
Recreation and Parks Programs Fund	PSNH Grant Fund

*Capital Projects Funds* - used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment. The City accounts for the following construction projects in its Capital Projects Funds.

Wastewater Treatment Fund	East Milan Landfill Fund
Cascade Bridge Fund	1993 Water Works Bond Fund
1994 Water Works/Fire Truck Bond Fund	1995 Water Works Bond
1997 School Bond Fund	
City and School Capital Improvements Fund	

*Proprietary Fund Types*

Proprietary Funds are used to account for the City's ongoing activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows.

*Enterprise Funds* - These funds account for the operations of the City's Sewer Fund, Industrial Development and Park Authority Fund, Courthouse Fund and Cates Hill Landfill Fund, which provide service on a user charge basis.

*Fiduciary Funds*

Assets held by the City in a fiduciary capacity or as an agent for individuals, private organizations, and other governmental units, and/or other funds for various purposes. Receipts and expenditures of each fund are governed by statutes, local law, or the terms of the gift.

*Trust Funds* - Expendable trust funds (Home Nursing Trust Fund, Berlin Trust Fund and Miles Scholarship Fund) are accounted for in essentially the same manner as governmental funds. The non-expendable funds are accounted for and reported as proprietary funds since capital maintenance is critical.

*Agency Funds* - Agency funds are used to account for assets held by the City in a fiduciary capacity for various student groups.

*Account Groups*

Account groups are not funds; they do not reflect available financial resources and related liabilities, but are accounting records of general fixed assets and general long-term obligations, respectively. The following is a description of the account groups of the City.

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1998**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*General Fixed Asset Account Group* - The City does not record the acquisition of fixed assets in the General Fixed Asset Account Group, as required by generally accepted accounting principles. Fixed assets acquired or constructed for general government services are recorded as expenditures in the fund making the expenditure. Funds used to acquire general fixed assets and or debt service payments on borrowings in connection therewith are accounted for as expenditures in the year payments are made.

*General Long-Term Debt Account Group* - used to record the outstanding long-term obligations of the City.

***Basis of Accounting***

The accrual basis is used for all proprietary fund types and non-expendable trust funds. The measurement focus of these funds is determination of net income, financial position and cash flows ("capital maintenance" focus). The City has elected not to follow the FASB pronouncements issued subsequent to November 30, 1989 in accounting and reporting for its proprietary operations.

Governmental funds utilize the modified accrual basis whereby revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are recorded when the liability is incurred, if measurable.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City, therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Licenses and permits, charges for services, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are measurable and available. (See Property Taxes for property tax accrual policies.)

During the course of normal operations, the City has transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying governmental funds and enterprise funds financial statements reflect such transactions as transfers. Non-expendable trust funds report these transactions as revenues and expenses.

***Total Columns on Combined Financial Statements***

Total columns on the combined financial statements are captioned "Memorandum Only" to indicate that they are intended to facilitate financial analysis. Interfund eliminations have not been made at arriving at the data

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1998**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

and it is not intended to present financial position, results of operations or cash flows in accordance with generally accepted accounting principles.

*Budgetary Data*

The budget represents departmental appropriations as authorized by City Council. The City Council may transfer funds between operating categories as they deem necessary. The City adopts its budget under regulations of the New Hampshire Department of Revenue Administration which differ somewhat from generally accepted accounting principles in that the focus is on the entire governmental unit rather than on the basis of fund types. Special revenue fund budgets are adopted only to the extent they interact with the general fund. Budgets for capital projects funds are adopted in the year the project is authorized and may extend over multiple accounting periods. Following is a reconciliation between the budget as presented for reporting purposes and the adopted budget.

Total Appropriations at June, 1997		
City Council Meeting		\$ 23,584,245
Supplemental Appropriations		588,602
Budgeted abatements netted with property tax revenues		(1,792,917)
Perspective Differences:		
Enterprise Funds		(1,153,094)
Airport Authority Special Revenue Fund		(35,518)
Timing Differences:		
Continued Appropriations - June 30, 1997		639,064
Continued Appropriations - June 30, 1998		(599,125)
General Fund	\$ 20,416,732	
Special Revenue Funds	814,525	
Total Budget - Report Basis		<u><u>\$ 21,231,257</u></u>

State law requires balanced budgets but permits the use of beginning budgetary basis fund balance to reduce the property tax rate. For the year ended June 30, 1998, the City applied \$1,007,824 of its unappropriated fund balance to reduce taxes.

*Reconciliation of Exhibit B to Exhibit C*

General Fund

Amounts recorded as budgetary amounts in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - General and Special Revenue Funds (Exhibit C) are reported on the basis budgeted by the City. Property tax budgetary revenues are recognized when levied rather than when susceptible to accrual. General fund budgetary expenditures were adjusted for encumbrances, capital leases and on behalf payments for fringe benefits (see Note 6) as follows:

# CITY OF BERLIN, NEW HAMPSHIRE

## NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

### NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

	Revenues and Transfers	Expenditures and Transfers
Exhibit B	\$ 18,047,265	\$ 19,961,172
Difference in property taxes meeting susceptible to accrual criteria	2,248,412	
Encumbrances, June 30, 1997		(199,206)
Encumbrances, June 30, 1998		163,001
Capital leases	(43,351)	(43,351)
On behalf fringe benefits	(111,876)	(111,876)
Exhibit C	<u>\$ 20,140,453</u>	<u>\$ 19,769,740</u>

#### Special Revenue Funds

Generally accepted accounting principles require full budgetary presentation for all funds for which annual budgets are adopted. Under State regulation budgets for Special Revenue Funds are adopted only to the extent they interact with the General Fund. The accompanying financial statements therefore present only partial budgetary activity for the Special Revenue Funds. Consequently, Special Revenue Funds shown on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - General and Special Revenue Funds (Exhibit C) are reported on a budgetary basis which differs from the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental and Similar Trust Fund Types (Exhibit B), which is reported in accordance with generally accepted accounting principles, as follows:

	<u>Exhibit B</u>	Current Year <u>Encumbrances</u>	Prior Year <u>Encumbrances</u>	Non- budgeted <u>Activity</u>	<u>Exhibit C</u>
Revenues	\$ 1,616,278			\$ 698,299	\$ 917,979
Expenditures	1,653,184	\$ 3,508	\$ (1,897)	745,951	908,844
Excess of Revenues Over (Under) Expenditures	(36,906)	(3,508)	1,897	(47,652)	9,135
Other Financing Sources (Uses):					
Operating Transfer In	35,518			35,518	-
Operating Transfers Out	(5,000)			(5,000)	-
Total Other Financing Sources (Uses)	30,518	-	-	30,518	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(6,388)	(3,508)	1,897	(17,134)	9,135
Fund Balance (Deficit)-July 1, 1997	37,307		(1,897)	18,902	16,508
Fund Balance (Deficit)-June 30, 1998	<u>\$ 30,919</u>	<u>\$ (3,508)</u>	<u>\$ -</u>	<u>\$ 1,768</u>	<u>\$ 25,643</u>

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1998**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Encumbrances*

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable appropriation, is employed as an extension of formal budgetary integration in Governmental Funds. Encumbrances outstanding at year end are reported as a component of fund balance since they do not constitute expenditures or liabilities and are detailed by fund type and function as follows:

	General Fund	Special Revenue Funds
Public safety	\$ 10,038	
Highways and streets	4,316	
Health and welfare	251	
Education	114,082	\$ 3,508
Capital outlay	34,314	
	<u>\$ 163,001</u>	<u>\$ 3,508</u>

*Assets, Liabilities and Fund Equity*

Cash and Cash Equivalents - The City pools its cash resources for the governmental and proprietary funds. Cash applicable to a particular fund is reflected as an interfund balance. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of the following:

	<u>Cash</u>	<u>Interfund Receivables</u>	<u>Totals</u>
Enterprise Funds:			
Sewer Fund		\$ 1,304,742	\$ 1,304,742
Industrial Development and Park Authority Fund		526,267	526,267
Courthouse Fund		89,760	89,760
Cates Hill Landfill Fund		470,956	470,956
		<u>2,391,725</u>	<u>2,391,725</u>
Non-expendable Trust Funds	\$ 8,221		8,221
	<u>\$ 8,221</u>	<u>\$ 2,391,725</u>	<u>\$ 2,399,946</u>

Investments - Investments are stated at their fair market value in all funds. Certificates of deposit and repurchase agreements with a maturity of greater than ninety days from the date of issuance are included in investments.

Taxes Receivable - Taxes levied during the current fiscal year and prior and uncollected at June 30, 1998 are recorded as receivables net of reserves for estimated uncollectibles of \$5,210,872.

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1998**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Prepaid Expenses - Payments made to vendors for services that will benefit periods beyond June 30, 1998 are recorded as prepaid items.

Inventory - The City accounts for inventories under the consumption method on a first-in, first-out basis. Inventories are recorded at cost.

Property, Plant and Equipment - Property, plant and equipment are valued at cost. The City uses the straight line method for charging depreciation in the Enterprise Funds. The following are the estimated useful lives used in determining the annual charge for depreciation.

	<u>Years</u>
Sewer Fund:	
Sewer System	50
Vehicles and equipment	3-10
Industrial Development and Park Authority Fund:	
Plant and equipment	30

The City capitalizes interest costs during a project's construction period.

Deferred Revenue - Deferred revenue consists of measurable but unavailable amounts including property taxes, grant revenues, and amounts collected in advance to be recognized in future periods.

Due to Other Governments - At June 30, 1998, \$613,097 was due to the Coos County for the county tax appropriation and accrued interest. The City has set aside funds to pay this obligation.

Accrued Vacation and Sick Leave - Employees earn vacation and sick leave as they provide services. Provision is made in the annual budget for vacation and sick leave. Pursuant to City personnel policy and collective bargaining agreements, employees may accumulate (subject to certain limitations) unused sick pay earned and, upon retirement, resignation or death will be compensated for such amounts at current rates of pay. The total estimated value of accumulated compensated absences at June 30, 1998 is \$1,699,555 and has been recorded in the General Long-Term Debt Account Group. The current portion, if any, is not material to these financial statements.

Contributed Capital - Federal and State grants for the purpose of constructing enterprise fund assets are recorded as contributions to equity.

***Revenues, Expenditures and Expenses***

Property Taxes - Taxes are levied on the assessed value of all taxable real property as of the prior April 1 (\$346,815,700 as of April 1, 1997) and are due in two installments on July 1, 1997 and March 11, 1998. Taxes paid after the due dates accrue interest at 12% per annum. Property taxes are recognized as revenue when received in cash or if available to finance current period operations (within sixty days of year end).

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1998**

**NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Under State law, the Tax Collector obtains tax liens on properties which have unpaid taxes in the following calendar year after taxes were due for the amount of unpaid taxes, interest and costs. These priority tax liens accrue interest at 18% per annum. If the property is not redeemed within a two year redemption period, the property is tax deeded to the City.

*Property Taxes Collected for Other Governments* - In accordance with State law, the City collects taxes for Coos County, an independent governmental unit, which are remitted to the County as required by law. Taxes appropriated to Coos County for the year ended June 30, 1998 were \$1,356,400. Actual taxes remitted during the year were \$1,244,330. Unpaid County taxes at year end are included in the balance due to other governments. The City bears responsibility for uncollected taxes.

**NOTE 2--STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

***Deficit Fund Balance***

*General Fund* - At June 30, 1998, the General Fund was in a deficit financial position in the amount of \$1,767,001. The City's management intends to rectify the condition through the levy of property taxes.

*Special Revenue Funds* - At June 30, 1998, the following special revenue funds were in a deficit financial position:

	<u>Amount</u>
Community Development Fund	\$ 58,448
Health Department Fund	3,803
Airport Authority Fund	5,430
	<u>\$ 67,681</u>

The City's management intends to rectify the condition by transferring funds from the General Fund to offset the deficits. Subsequent to year end, the City passed a resolution to fund the Community Development Fund's deficit balance.

*Capital Projects Funds* - At June 30, 1998, the following capital projects funds were in a deficit financial position:

	<u>Amount</u>
Cascade Bridge Fund	\$ 7,524
1994 Water Works/Fire Truck Bond Fund	115,720
	<u>\$ 123,244</u>

The deficits in the various capital projects funds are the result of a temporary timing difference in expenditure and revenue recognition. The City intends to either authorize and issue long-term debt or transfer funds from the General Fund to offset the deficit position.

## **CITY OF BERLIN, NEW HAMPSHIRE**

### **NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**

June 30, 1998

#### **NOTE 3--RISK MANAGEMENT**

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 1998, the City was a member of the New Hampshire Worker's Compensation Fund. The City currently reports all of its risk management activities in its General Fund. The Trust is classified as a "Risk Pool" in accordance with generally accepted accounting principles.

The Compensation Fund was organized to provide statutory worker's compensation coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. The Trust is self-sustaining through annual member premiums and provides coverage for the statutorily required workers' compensation benefits and employer's liability coverage up to \$1,000,000. The program includes a Loss Fund from which is paid up to \$375,000 for each and every covered claim.

The Trust agreement permits the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Generally accepted accounting principles require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at June 30, 1998.

#### **NOTE 4--CASH AND INVESTMENTS**

The City has combined the cash resources of its governmental and proprietary fund types. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance.

The City's investment policy for governmental fund types requires that deposits and investments be made in New Hampshire based financial institutions that are participants in federal depository insurance programs. Deposits are limited to demand deposits, money market accounts, certificates of deposit and repurchase agreements in accordance with New Hampshire State law (RSA 41:29) or the New Hampshire Public Deposit Investment Pool (NHPDIP). Responsibility for the investments of the Trust Funds is with the Board of Trustees. Investments of the Student Activities Agency Funds are at the discretion of the School Principals.

At year end, the carrying amount of all the City's cash deposits, including Restricted Assets - Cash, was \$2,193,838 and the bank balance was \$2,454,394. Of the bank balance \$2,423,830 was covered by federal depository insurance or collateralized and \$30,564 was uninsured and uncollateralized.

The City's investments are categorized to provide an indication of the level of risk assumed by the City of Berlin. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 included uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the City's name. Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the City's name.



**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1998**

**NOTE 4--CASH AND INVESTMENTS (CONTINUED)**

	Category			Market
	1	2	3	Amount
Repurchase agreements			\$ 4,113,214	\$ 4,113,214
Certificates of deposit	\$ 216,174			216,174
	<u>\$ 216,174</u>	<u>\$ -</u>	<u>\$ 4,113,214</u>	<u>4,329,388</u>
Investments in New Hampshire Public Deposit Investment Pool (NHPDIP)				1,639,434
Total Investments				<u>\$ 5,968,822</u>

Investments in the NHPDIP are not investment securities and, as such, are not categorized by risk.

**NOTE 5--PROPERTY, PLANT AND EQUIPMENT - PROPRIETARY FUNDS**

The following is a summary of changes in the Proprietary Fund property, plant and equipment for the year ended June 30, 1998:

	Balance <u>7/01/97</u>	Additions	Reductions	Balance <u>6/30/98</u>
<u>Sewer Fund</u>				
Land	\$ 22,663			\$ 22,663
Buildings and improvements	32,488,452			32,488,452
Vehicles and equipment	385,716	\$ 130,226		515,942
Construction in progress		139,242		139,242
	<u>32,896,831</u>	<u>269,468</u>	<u>-</u>	<u>33,166,299</u>
Less: Accumulated depreciation	<u>(10,528,578)</u>	<u>(692,501)</u>	<u>-</u>	<u>(11,221,079)</u>
	<u>\$ 22,368,253</u>	<u>\$ (423,033)</u>	<u>\$ -</u>	<u>\$ 21,945,220</u>
<u>Industrial Development and Park Authority Fund</u>				
Land	\$ 219,794			\$ 219,794
Buildings and improvements	1,263,089			1,263,089
Vehicles and equipment		\$ 135,242		135,242
	<u>1,482,883</u>	<u>135,242</u>	<u>-</u>	<u>1,618,125</u>
Less: Accumulated depreciation	<u>(474,107)</u>	<u>(42,103)</u>	<u>-</u>	<u>(516,210)</u>
	<u>\$ 1,008,776</u>	<u>\$ 93,139</u>	<u>\$ -</u>	<u>\$ 1,101,915</u>
<u>Totals</u>				
Land	\$ 242,457			\$ 242,457
Buildings and improvements	33,751,541			33,751,541
Vehicles and equipment	385,716	\$ 265,468		651,184
Construction in progress		139,242		139,242
	<u>34,379,714</u>	<u>404,710</u>	<u>-</u>	<u>34,784,424</u>
Less: Accumulated depreciation	<u>(11,002,685)</u>	<u>(734,604)</u>	<u>-</u>	<u>(11,737,289)</u>
	<u>\$ 23,377,029</u>	<u>\$ (329,894)</u>	<u>\$ -</u>	<u>\$ 23,047,135</u>

**CITY OF BERLIN, NEW HAMPSHIRE****NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**

June 30, 1998

**NOTE 6--DEFINED BENEFIT PENSION PLAN***Plan Description*

The City contributes to the New Hampshire Retirement System (NHRS), a cost-sharing multiple- employer defined benefit pension plan administered by the NHRS Board of Trustees. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 4 Chenell Drive, Concord, New Hampshire 03301.

*Funding Policy*

Covered public safety employees are required to contribute 9.3% of their covered salary, whereas teachers and general employees are required to contribute 5.0% of their covered salary. The City is required to contribute at an actuarially determined rate. The City's contribution rates for the covered payroll of police officers, fire employees, teachers, and general employees were 3.812%, 5.822%, 3.052%, and 4.282%, respectively. The City contributes 65% of the employer cost for police officers, fire employees, and teachers, and the State of New Hampshire contributes the remaining 35% of the employer cost. The City contributes 100% of the employer cost for general employees. In accordance with generally accepted accounting principles (GASB #24), on behalf fringe benefits contributed by the State of New Hampshire of \$111,876 have been reported as a revenue and expenditure of the General Fund in these financial statements.

Under State law (RSA-100:16), plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The City's contributions to the NHRS for the years ending June 30, 1998, 1997, and 1996 were \$296,466, \$228,126, and \$271,901, respectively, equal to the required contributions for each year.

**NOTE 7--GENERAL DEBT OBLIGATIONS**

Changes in Long-term Debt - The changes in long-term obligations for the year ended June 30, 1998 are as follows:

	Balance <u>7.01.97</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>6.30.98</u>
General obligation debt	\$ 3,883,190	\$ 7,134,062	\$ 867,070	\$ 10,150,182
Capital Lease payable	447,766	43,351	57,582	433,535
Other obligations	1,133,977	85	1,134,062	-
Compensated absences	1,801,575	-	102,020	1,699,555
Landfill closure and postclosure care costs	1,074,230	23,954	10,522	1,087,662
Total	<u>\$ 8,340,738</u>	<u>\$ 7,201,452</u>	<u>\$ 2,171,256</u>	<u>\$ 13,370,934</u>

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1998**

**NOTE 7--GENERAL DEBT OBLIGATIONS (CONTINUED)**

The financial statements as of June 30, 1997 did not include capital lease obligations of \$447,766 in the General Long-Term Debt Account Group. The above balances as of July 1, 1997 have been adjusted to properly reflect this long-term obligation.

***General Long-term Obligations***

General Obligation Debt - payable at June 30, 1998 is comprised of the following individual issues:

\$3,200,000 State Guaranteed Sewer Construction Bonds due in annual installments of \$95,000 - \$300,000 through July, 2004; interest at 8.214%	\$ 1,535,000
\$1,134,062 Landfill Closure Bonds due in annual installments of \$56,703 through November, 2016; interest at 4.48%	1,077,359
\$4,500,000 State Guaranteed School Improvement Bonds due in annual installments of \$300,000 through January, 2013; interest at 4.15% - 4.9%	4,500,000
\$1,500,000 School Improvement Bonds due in annual installments of \$100,000 through January, 2013; interest at 4.3% - 4.95%	1,500,000
\$1,200,000 State Guaranteed Sewer Construction Bonds due in annual installments of \$80,000 through July, 2002; interest at 5.4% - 8.1%	400,000
\$435,000 State Guaranteed Water Construction Bonds due in annual installments of \$30,000 through June, 2002; interest at 5.65% - 7.6%	135,000
\$1,450,000 State Guaranteed Sewer Construction Bonds due in annual installments of \$95,000 through January, 2003; interest at 5.75% - 7.75%	475,000
\$1,150,000 School Improvement Bonds due in annual installments of \$115,000 through January, 1999; interest at 7.5%	115,000
\$450,000 Fire Truck Bonds due in annual installments of \$45,000 through August, 2004; interest at 4.7% - 7.0%	315,000
\$69,275 Asbestos Grant Loan due in annual installments of \$5,000 through 2005 and \$1,775 in 2006	36,775
\$43,000 Airport Authority Notes due in monthly installments of \$872, including interest at 8.0%, through November, 2001	30,524
\$43,000 Airport Authority Notes due in monthly installments of \$872, including interest at 8.0%, through November, 2002	30,524
	<u>\$ 10,150,182</u>

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
June 30, 1998

**NOTE 7—GENERAL DEBT OBLIGATIONS (CONTINUED)**

*Capital Lease Obligations*

Capital lease obligations represent lease agreements entered into for the financing of equipment acquisitions. These contracts are subject to cancellation should funds not be appropriated to meet payment obligations. Amounts are annually budgeted in the applicable function. Following is the capital lease obligation at June 30, 1998:

Equipment, due in monthly installments of \$4,708, including interest at 6.5%, through February, 2005	\$ 371,078
Equipment, due in annual installments of \$15,141, including interest at 6.13%, through July, 1999	27,709
Equipment, due in annual installments of \$5,066, including interest at 6.239%, through November, 2001	18,028
Equipment, due in annual installments of \$4,180, with no stated interest rate, through September, 2001	16,720
	<u>\$ 433,535</u>

*Summary of Debt Service Requirements to Maturity*

The annual requirements to amortize all outstanding long-term obligations as of June 30, 1998, including interest of \$3,515,468 are as follows:

Year Ending June 30,	Bonds	Capital Leases	Total
1999	\$ 1,622,286	\$ 87,538	\$ 1,709,824
2000	1,437,966	89,503	1,527,469
2001	1,388,442	76,388	1,464,830
2002	1,334,258	78,480	1,412,738
2003	1,277,451	71,394	1,348,845
2004-2008	3,598,058	123,730	3,721,788
2009-2013	2,661,476		2,661,476
2014-2017	252,215		252,215
	<u>\$ 13,572,152</u>	<u>\$ 527,033</u>	<u>\$ 14,099,185</u>

The State of New Hampshire annually reimburses the City for its share of Sewer related debt service payments. For the year ended June 30, 1998, the reimbursement was \$343,191.

Under state law, the City is required to issue general obligation debt for the Berlin Water Works (a component unit of the City). Accordingly, this general obligation debt is recognized as a liability of the Berlin Water Works and is not recorded in the general long-term debt account group. The Commissioners of the Berlin Water Works have agreed to reimburse the City for the annual principal and interest payments on this debt. For

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1998**

**NOTE 7--GENERAL DEBT OBLIGATIONS (CONTINUED)**

the year ended June 30, 1998, the reimbursement was \$1,193,166, which consists of \$605,000 in principal and \$588,166 in interest.

**NOTE 8--NOTES PAYABLE**

The Berlin Industrial Development and Park Authority Fund is directly liable for several notes payable. The proceeds of the notes were used to construct buildings and improvements at the Industrial Park. Following is a summary of changes in notes payable for the year ended June 30, 1998:

Notes payable - July 1, 1997	\$ 428,394
Obligations retired	(14,244)
Notes Payable - June 30, 1998	<u>\$ 414,150</u>

The financial statements as of June 30, 1997 classified a \$21,500 note payable in the accounts payable balance. The above balances as of July 1, 1997 has been adjusted to properly reflect this long-term obligation.

Notes payable at June 30, 1998 are comprised of the following issues:

\$290,000 Note payable to Citizens Bank secured by land and building due in monthly installments of \$2,470, including interest at 1.5% over the prime rate adjusted annually through January, 2019	\$ 262,721
\$206,107 Note payable to Berlin Economic Development Council, Inc. secured by land and building due in monthly installments of \$1,500, including interest at 6.0%, through October, 2007	129,929
\$21,500 Note payable to Berlin Economic Development Council, Inc. secured by land and building due in a balloon payment in October, 2007, interest at 0%	21,500
	<u>\$ 414,150</u>

The annual requirements to amortize the notes payable as of June 30, 1998 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	\$ 14,019	\$ 33,624	\$ 47,643
2000	15,036	32,607	47,643
2001	16,131	31,512	47,643
2002	17,311	30,332	47,643
2003	18,584	29,059	47,643
2004-2008	127,888	122,522	250,410
2009-2013	58,883	89,331	148,214
2014-2018	96,881	51,333	148,214
2019	49,417	2,517	51,934
	<u>\$ 414,150</u>	<u>\$422,837</u>	<u>\$ 836,987</u>

## CITY OF BERLIN, NEW HAMPSHIRE

### NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

#### NOTE 9--LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require that the City place a final cover on its two landfills when closed and perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. An estimated liability has been recorded in the general long-term debt account group based on the future closure and postclosure care costs that will be incurred near or after the date the landfills no longer accept waste. These landfill closure and postclosure care costs are based on the amount of the landfills used. The estimated liability for landfill closure and postclosure care costs has a balance of \$1,087,662 as of June 30, 1998, which is based on 100% usage of the East Milan landfill and 95% usage of the Cates Hill landfill. It is estimated that an additional \$15,970 will be recorded as closure and postclosure care costs between June 30, 1998 and the date the Cates Hill landfill is expected to be filled to capacity (fiscal year 2000). The estimated total current cost of the landfill closure and postclosure care of \$1,103,632 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfills were acquired as of June 30, 1998. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The closure costs of the East Milan landfill were financed through the issuance of debt under the State of New Hampshire, State Water Pollution Control Revolving Fund Program. The remaining closure and postclosure care costs are expected to be financed from the motor vehicle surcharge collected in the Cates Hill Landfill Enterprise Fund. The City has also entered into an intermunicipal agreement with surrounding communities for the reimbursement of their share of the landfill closure and postclosure costs.

#### NOTE 10--DEFERRED REVENUE

*General Fund* - The City has recorded deferred property and resident tax revenues as follows:

Semi-annual tax warrant due July 1, 1998	\$ 6,880,744
Resident Taxes due July 1, 1998	58,930
Taxes levied and not received within 60 day recognition period	5,050,838
Other advance collections	1,034,821
	<u>\$ 13,025,333</u>

*Enterprise Funds* - Deferred revenue in the Enterprise Funds at June 30, 1998 consists of revenues collected in advance and recognizable in future periods as follows:

Sewer Fund	\$ 107,171
Industrial Development and Park Authority Fund	5,652
Courthouse Fund	689
	<u>\$ 113,512</u>

#### NOTE 11--INTERFUND BALANCES

Interfund receivables payables at June 30, 1998 are as follows:

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1998**

**NOTE 11—INTERFUND BALANCES (CONTINUED)**

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 514,407	\$ 3,993,698
Special Revenue Funds:		
Community Development Fund		59,648
Federal Projects Fund		77,244
Food Service Fund		19,393
Health Department Fund		10,000
Airport Authority Fund		57,638
Carberry Fund	1,670	
Recreation and Parks Programs Fund	15,041	
PSNH Grant Fund	50,000	
Capital Projects Funds:		
Wastewater Treatment Fund	108,821	
East Milan Landfill Fund	258,639	
City and School Capital Improvements Fund	10,469	
Cascade Bridge Fund		14,920
1993 Water Works Bond Fund		102,578
1994 Water Works/Fire Truck Bond Fund	18,467	134,187
1995 Water Works Bond Fund	1,273,052	
1997 School Bond Fund		160,388
Enterprise Funds:		
Sewer Fund	1,304,742	
Industrial Development and Park Authority Fund	526,267	
Courthouse Fund	89,760	
Cates Hill Landfill Fund	470,956	
Trust and Agency Funds:		
Home Nursing Trust Fund		13,797
Student Activities Agency Funds	1,200	
Total	<u>\$ 4,643,491</u>	<u>\$ 4,643,491</u>

**NOTE 12--ADVANCE TO/FROM OTHER FUND**

At June 30, 1998, \$240,000 was due to the Wastewater Treatment Capital Projects Fund from the Sewer Enterprise Fund. The Sewer Enterprise Fund makes annual principal payments of \$40,000 and interest.

**NOTE 13--CONTRIBUTED CAPITAL - PROPRIETARY FUNDS**

Changes in the contributed capital accounts in the Sewer Fund and the Industrial Development and Park Authority Fund are summarized as follows:

**CITY OF BERLIN, NEW HAMPSHIRE**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 1998**

**NOTE 13--CONTRIBUTED CAPITAL - PROPRIETARY FUNDS (CONTINUED)**

	Balance <u>7 01 97</u>	<u>Contributions</u>	<u>Amortization</u>	Balance <u>6 30 98</u>
Sewer Fund	\$ 22,589,022		\$ (528,485)	\$ 22,060,537
Industrial Development and Park Authority Fund	560,167			560,167
Total	<u>\$ 23,149,189</u>	<u>\$ -</u>	<u>\$ (528,485)</u>	<u>\$ 22,620,704</u>

**NOTE 14--NON-EXPENDABLE TRUST FUNDS**

The principal amounts of all non-expendable trust funds are restricted in that only income earned may be expended. Principal and income balances at June 30, 1998 are as follows:

	<u>Principal</u>	<u>Income</u>	<u>Total</u>
Cemetery Funds	<u>\$ 131,953</u>	<u>\$ 201,875</u>	<u>\$ 333,828</u>

**NOTE 15--UNRESERVED DESIGNATED FUND BALANCES**

*General Fund*

Appropriations for certain projects and specific items not fully expended at year end are carried forward as continuing appropriations to the next year in which they supplement the appropriations of that year. Following are continuing appropriations at June 30, 1998:

General government	\$ 17,542
Public safety	23,809
Highways and streets	560
Sanitation	8,239
Culture and recreation	269
Education	70,000
Capital outlay	478,706
	<u>\$ 599,125</u>

*Special Revenue Funds*

Federal Projects Fund	\$ 5,347
Food Service Fund	20,296
Carberry Fund	4,408
Recreation and Parks Programs Fund	15,041
PSNH Grant Fund	50,000
	<u>\$ 95,092</u>



**CITY OF BERLIN, NEW HAMPSHIRE****NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)****June 30, 1998****NOTE 15--UNRESERVED DESIGNATED FUND BALANCES (CONTINUED)***Capital Projects Funds*

Wastewater Treatment Fund	\$ 108,821
East Milan Landfill Fund	258,639
City and School Capital Improvements Fund	10,469
1993 Water Works Bond Fund	16,234
1995 Water Works Bond Fund	1,277,874
1997 School Bond Fund	2,372,600
	<u>\$ 4,044,637</u>

*Expendable Trust Funds*

Home Nursing Trust Fund	\$ 89,557
Berlin Trust Fund	2,000
Scholarship Fund	20,449
	<u>\$ 112,006</u>

**NOTE 16--NET WORKING CAPITAL**

The net working capital for the individual enterprise funds as of June 30, 1998 is as follows:

Sewer Fund	\$ 1,260,710
Industrial Development and Park Authority Fund	518,133
Courthouse Fund	89,002
Cates Hill Landfill Fund	477,917
	<u>\$ 2,345,762</u>

**NOTE 17--TOP TAXPAYERS**

The following are the five major property owners as they relate to the 1997 assessed property valuation of \$346,815,700:

<u>Taxpayer</u>	<u>1997 Property Valuation</u>	<u>Percentage of Total Valuation</u>
Crown Paper Company	\$ 110,044,808	31.73%
Public Service of New Hampshire	33,917,400	9.78%
James River Electric	28,699,800	8.27%
Individual taxpayer	1,715,600	.49%
Individual taxpayer	1,307,200	.38%

## **CITY OF BERLIN, NEW HAMPSHIRE**

### **NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 1998**

#### **NOTE 18—PROPERTY ASSESSMENT LITIGATION**

The City is a defendant in a tax abatement petition brought by the City's major taxpayer. The taxpayer is asserting that certain property is not taxable as real estate and is contesting the method of valuation on other properties. The City has reserved approximately \$6,250,000 for possible tax abatement (approximately 50% of total contested amount). The City and the taxpayer entered into a settlement agreement in January, 1999 (See note 21 to these financial statements).

#### **NOTE 19--CONTINGENT LIABILITIES**

The City participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The Environmental Protection Agency (EPA) of the federal government has disallowed certain expenses in connection with a prior sewer project based on a "close out audit" for approximately \$2,000,000. The EPA has requested certain follow up documentation to clear up any potential disallowed costs. The City is in the process of responding to the EPA's request and the City's special legal counsel for this matter anticipates that any amount which may be required to be reimbursed will be immaterial. The amount, if any, of other expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects amounts, if any, to be immaterial.

#### **NOTE 20--SUBSEQUENT EVENT**

Subsequent to year end, there was a court rendered decision against the City regarding retirement benefits. Per the court, the City and New Hampshire Retirement System shall enroll each petitioner in the State's retirement system. In addition, within thirty days from the date of the Court order, the petitioners are to choose one of the following options. Under the first option, the City shall transfer the funds from the local pension plan to the State Retirement System and permit the petitioners to buy back any amount of years they can afford. The second option states that the City shall pay the petitioners the balance of the funds held in each petitioner's account with the local pension plan. The balance held in the Public Works Pension Trust as of June 30, 1998 is unavailable. Currently, both the City and the petitioners have filed for clarification on this ruling.

#### **NOTE 21—SETTLEMENT OF TAX DISPUTE**

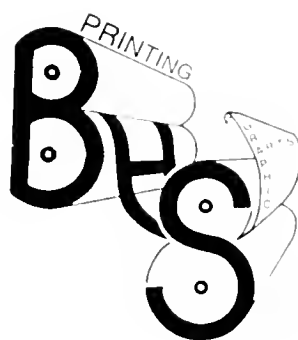
The City and the City's major taxpayer entered into a settlement agreement in January, 1999 to settle its long standing real property tax assessment dispute. Under the terms of the agreement, no additional payments or refunds will be paid to either party for the tax years from 1993 through 1999 except for the additional payment due for 1998 1999 tax year from the taxpayer of approximately \$329,000. Under the terms of the settlement, the City and the taxpayer have agreed to a mutually satisfactory assessment for the years from 1999 through 2002 which range from \$70,000,000 to \$80,000,000, subject to changes for additions and deletions in taxable property as defined by the terms of this agreement. The City had reserved approximately \$6,250,000 for possible tax abatement. The terms of this agreement will require an additional abatement of approximately \$5,500,000 which will increase the undesignated deficit fund balance of the City by this amount. Once the settlement is approved by the New Hampshire Court System, the City will issue general obligation debt, as permitted by current state law, to fund the additional abatement. Repayment terms of this debt shall be as permitted by state law.

## LOCAL GOVERNMENT OFFICES



### City offices include:

ASSESSOR'S	752-5245	<i>Susan Warren, Assessor Supervisor</i>
CITY CLERK	752-2340	<i>Debra Patrick, City Clerk</i>
CITY MANAGER	752-7532	<i>George McMahon, City Manager</i>
PLANNING	752-1630	<i>June Hammond Rowan, City Planner</i>
ENGINEERING	752-8551	<i>James Wheeler, City Engineer</i>
PUBLIC WORKS	752-4450	
• GARAGE	752-1460	
FINANCE/COLLECTIONS	752-1610	<i>Aline Boucher, Comptroller</i>
COMMUNITY SERVICES DIVISION		<i>Laura Lee Viger, Community Services Director</i>
• HEALTH	752-1272	
• RECREATION	752-2010	
• WELFARE	752-2120	<i>Annette Langevin, Welfare Director</i>
• LIBRARY	752-5210	<i>Yvonne Thomas, Head Librarian</i>
FIRE DEPARTMENT	752-3135	<i>Paul Fortier, Fire Chief</i>
• INSPECTION DIVISION	752-3135	<i>Maurice Lavertue, Building Inspector</i>
POLLUTION CONTROL	752-8563	<i>Michael Therriault, Supervisor</i>
POLICE DEPT	752-3131	<i>Alan Tardif, Police Chief</i>
SCHOOL DEPT	752-6500	<i>Bruce MacKay, Superintendent</i>
WATER WORKS	752-1677	<i>Albin Johnson, Superintendent</i>
BERLIN AIRPORT	449-2168	<i>Eric Kaminsky, Airport Manager</i>



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